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TODAY:
STAGE

An Appeal For Calm By Suharto Amid Crisis

Currencies of Indonesia And 3 Other Nations In Asia Hit New Lows

By Thomas Crampton
International Herald Tribune

BANGKOK — President Suharto of Indonesia called for calm Tuesday in Asia's financial storm, as currencies plunged to new lows for the third consecutive day and the fallout affected the region's few havens of stability.

"We are passing through very hard and difficult times," Mr. Suharto said in a speech to Parliament as he presented his government's budget. "Let us all keep a cool and clear head, so as to enable us to overcome it as well."

This was one of the key speeches in the long career of Mr. Suharto, 76, who has been under close scrutiny for signs of failing health after rumors of illness helped send the Indonesian rupiah tumbling. He is widely expected to seek a seventh term in office in March after 30 years in power. He appeared to be in reasonable health while reading his 55-minute speech.

But analysts were concerned that the budget, which calls for higher spending, would further erode confidence in Indonesia's economy. (Page 11)

The currencies of the Philippines, Thailand, Indonesia and Malaysia hit all-time lows against the dollar as the Taiwan dollar, which has been relatively stable in the region's currency turmoil, was brought to a 10-year low and Hong Kong was forced to raise interest rates to support its dollar.

"This is the meltdown everybody feared," said a leading Western economic envoy. "Currencies bouncing around by 10 to 15 percent in a day for no reason and complete gridlock in the financial systems."

"After leading the way down for a while, South Korea has given us a few moments of respite with the 1000 negotiations in New York," said David Hale, global economic strategist for Zurich Kemper Investments. "Indonesia has now turned into the country where everything is going wrong and who knows how far the rupiah can go."

Beyond the collapse in sentiment that has led Indonesians to scramble for dollars, Mr. Hale said the country faced political uncertainty over Mr. Suharto's

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Asia's Currency Crunch		
Currencies vs. the dollar	% change Tuesday	% change in 1997
South Korea	↓	↓
Hong Kong	NC	↓
Japan*	↓	↓
Australia	↓	↓
Taiwan	↓	↓
Singapore	↓	↓
Thailand	↓	↓
Philippines	↓	↓
Malaysia	↓	↓
Indonesia	↓	↓
Source: Bloomberg		

The Dollar		
	Tuesday @ 4 P.M.	previous close
DM	1.8323	1.8256
Pound	1.625	1.6295
Yen	133.625	133.565
FF	6.1303	6.1096
The Dow		
	Tuesday close	previous close
	7274	7306.25
S&P 500		
	Tuesday @ 4 P.M.	previous close
	-10.49	866.58

Newsstand Prices			
Andorra	10.00 FF	Lebanon	11.3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroun	1.600 CFA	Qatar	10.00 QR
Egypt	5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	2.800 Lire	Spain	225 Ptas
Ivory Coast	1.250 CFA	Tunisia	1.250 Din
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	7.00 Fils	U.S. Mtl. (Eur.)	\$1.20



Armed men in Daira de Ramika, one of four villages in Algeria where a total of 412 people were killed last week.

Cautious Hope Along an EU Divide

British Presidency at Hand, Blair Vows to Be a Positive Player

By Tom Buerkle
International Herald Tribune

LONDON — As Britain takes over the presidency of the 15-nation European Union this week, the prospects for relations with this country's partners on the Continent are the best in years.

Prime Minister Tony Blair has jettisoned the anti-European rhetoric of his Conservative predecessors and promised to play a positive, leading role on issues ranging from labor market reform and fighting international crime to promoting the Union's enlargement into Eastern Europe.

Just as important in the eyes of fellow EU leaders, his personal popularity and overwhelming parliamentary majority have put him in position

to deliver on those promises.

But diplomats and analysts say talk of British leadership in Europe remains premature because of the single currency, the one issue that not only will define the six-month presidency but also polarize the British public's attitude toward Europe.

Mr. Blair will preside over an EU summit meeting in May to select the countries that will launch the euro in 1999, but his government's recent decision to rule out British participation in the euro for several years threatens to limit Britain's influence in Europe. Mr. Blair got an early hint of that last month when his attempt to win a seat on the so-called Euro-X Council, which will manage the new currency, was effectively rebuffed by his EU partners.

And so the view of Britain's partners on the Continent is one of cautious optimism, welcoming the change in tone and style under Mr. Blair but still wary of Britain's long-standing ambivalence toward European integration.

"When people play by the rules, you have already won by 50 percent," a senior German diplomat said. "But in the medium term, you must also add substance."

On that score, he added, "Tony Blair will be measured by whether he leads Britain into economic and monetary union or not."

Mr. Blair insists he wants Britain to participate in a successful single cur-

See BLAIR, Page 5

Italy Presses for Council to Oversee Euro

By Alan Friedman
International Herald Tribune

ROME — Italy, taking sides with France in its campaign for a political counterweight to the future European Central Bank, is backing the establishment of "an economic government" for Europe, the Italian Treasury minister said.

"We need to move toward an economic government, a center of economic policy-making for countries that share the single currency," Carlo Azeglio Ciampi said in an interview. "The existence of the European Central Bank implies the need for a policy-making body with political clout," said

Mr. Ciampi, a former prime minister who also served for 15 years as governor of the Bank of Italy.

Mr. Ciampi outlined for the first time Italy's strong support for using the Euro-X Council — a policy forum for single-currency members launched by European Union leaders last month — as the main instrument for setting Europe-wide economic policies.

The Euro-X issue has sparked tensions between France and Germany because of French demands that the Council should act as a political counterweight to the European Central Bank. Mr. Ciampi's remarks put Italy clearly in the French camp, but he stressed that Italy did not intend to

hamper the bank's independence.

He denied that there were any real differences with Germany, saying he had discussed Rome's position with Theo Waigel, the German finance minister.

Mr. Ciampi also called for a general lowering of interest rates across Europe. He said Europe's real interest rates, when adjusted for inflation, were still too high.

"To bring real rates down, nominal interest rates have to come down across Europe," he said. "When 10-year rates in Germany are at 6 percent, in a country with 2 percent inflation,

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Applying the Brakes To 'Crony Capitalism'

Performance, Not Connections, Is Order of Day

By Michael Richardson
International Herald Tribune

SINGAPORE — The once invincible and pervasive practice of "crony capitalism," one of the chief causes of Asia's financial crisis, is finally beginning to be reined in across the region.

Asia's brand of cronyism — in which companies thrive because of their connections rather than their financial performance — faces sharp curbs under

rules being applied by the International Monetary Fund and foreign banks on their rescue loans to countries such as South Korea, Indonesia and Thailand, it is much more difficult for local companies to get large credits, contracts and other concessions on the sole basis of political or personal connections.

Even in less seriously affected countries like Malaysia, which have not had to seek IMF aid in exchange for reforms, financial authorities are being forced to curtail credit to tycoons with close ties to the government and warn that they will not be bailed out if their companies are insolvent.

"Crony capitalism is coming under public scrutiny and attack as never before," said a Western banker involved in East Asian debt negotiations. "The beneficiaries of this system of entrenched favoritism will find life much more difficult in 1998."

See CRONIES, Page 4

Let It Snow! Nagano Gets Some and Wants More as Games Near

By Mary Jordan
Washington Post Service

TOKYO — In Nagano, Japan, they are calling it the "snow of mercy."

The first significant snow in weeks fell Monday night covering muddy Olympic ski slopes with a blanket of white just one month before the Winter Games begin.

In Hakuba, a mountainous town that will stage the downhill race, a glorious 21 centimeters (about 8 inches) of snow fell, enough to wake up the village's ski chieftain, Tadaaki Matsuzawa, who ran outside at dawn and danced.

"I have waited for the sound of snow on my roof for one month," said the official in charge of the downhill course. "Finally, finally, we got it!"

"If this keeps up, we will somehow manage," he said.

If it does not, the downhill and other key events may have to be canceled, and Japan — which has spent billions of dollars and most of this decade preparing for the '98 Winter Games — could find its dream of a Winter Wonderland praised around the globe washed away by rain.

An unusually warm winter that some blame on El Nino and others say comes with selecting the most southern site ever for Winter Games has left

four out of five ski resorts around the Olympic area shut or empty for lack of snow.

On the same day that the "mercy snow" fell, the torch relay to the opening ceremony Feb. 7 began.

Baseball stars, singers, and children are among the 7,000 people carrying three lanterns from different corners of Japan to Nagano. Organizers hope the relay will lift the nation's morale for the sports spectacle that has so far received scant attention compared to the country's prolonged economic doldrums.

"I hope the nationwide torch relay will draw everyone's attention to the Nagano Olympics,"

said Makoto Kobayashi, director general of the Olympic organizing committee, who has found himself trying to drum up enthusiasm and praying to the gods at Shinto shrines for snow.

The lantern flames will merge to a single light before the opening ceremony, to be broadcast by CBS, the U.S. television network. The network has erected a studio at a magnificent 1,300-year-old Zenkoji Shrine.

There, sumo wrestlers will stomp and wiggle in performing traditional ceremonies to rid the arena of evil spirits. The sumo stars will also lead the

See SNOW, Page 18

Surge of Massacres Reported in Algeria

Algiers Rebuffs Europeans on Intervention

By Craig R. Whitney
New York Times Service

PARIS — Amid reports of new atrocities against Algerian civilians by Islamic fundamentalists, France and its European Union partners struggled Tuesday with Algerian government resistance to any attempt to bring international pressure to bear to stop the killings.

As the colonial power that ruled the nation for more than a century until the Algerians wrested independence from Paris in 1962 — after a war that cost 10,000 French lives and 100,000 Algerian — France is expected by its European allies to take the lead in diplomatic efforts to try to stop the carnage.

But French officials say they are not sure all the violence is the work of Islamic fundamentalists, and some suspect that the Algerian government may have incited atrocities against villages sympathetic to the rebels, or deliberately left them open to attack.

The German foreign minister, Klaus Kinkel, called over the weekend for the dispatch of a European Union mission to Algeria to offer help to the government. France, Denmark and Portugal expressed support, and European officials will discuss the crisis in Brussels next week. But Algeria on Tuesday, as it has in the past, rejected all outside interference in its affairs.

The United Nations High Commissioner for Human Rights, Mary Robinson, welcomed the show of concern by European countries and the United States, which expressed support Tuesday for international inquiries into the massacres. But Algiers rejected Mrs. Robinson's soundings about the possibility of a UN mission to Algeria, diplomats said.

France on Monday strongly condemned the massacres and called on the Algerian regime to do its duty to ensure the security of its civilian population. The Algerian Foreign Ministry and much of the Algerian press responded by accusing the French of unacceptable interference in Algerian internal affairs.

"I don't say that there isn't anything that can be done," Foreign Minister Hubert Vedrine of France said at a gathering at the Quai d'Orsay on Tuesday, but he reminded those present that by the end of the colonial war in Algeria not even 600,000 French and Algerian colonial soldiers had been able to defeat the movement for independence.

Large sections of the French Army in Algeria accused politicians in Paris in those days of tying their hands or stabbing them in the back, much as some American officers later believed that they were betrayed in Vietnam, and rebellious generals threatened a coup d'état in Paris.

Ramadan Toll Climbs by 300, Press Asserts

By John Lancaster
Washington Post Service

CAIRO — The Muslim holy month of Ramadan is turning out to be one of the bloodiest chapters ever in Algeria's six-year Islamic insurgency, with reports Tuesday that more than 300 people may have died in another round of massacres.

The fresh wave of bloodshed brought to more than 1,000 the number of Algerian civilians believed to have been killed during the last two weeks. The surge in killing — including several hundred people burned alive, according to reports Tuesday — has prompted growing calls in Western capitals for an international role in ending the crisis.

It was unclear, however, what role, if any, the Western powers could play in Algeria given the government's refusal to permit any outside involvement in what it regards as a domestic matter.

Algerian authorities have repeatedly said they are winning the war on militants of the Armed Islamic Group, which is seeking to overthrow the secular government supported by the military and replace it with an Islamic state.

According to reports in the Algerian press Tuesday, at least 170 men, women and children died in massacres in towns and villages south and west of Algiers.

A French-language newspaper, La Tribune, also reported that "several hundred" people had been burned alive in the village of Had Chekala in the Relizane region.

"There were no survivors in the hamlet of Had Chekala, on the outskirts of the Ammi Moussa area, which was put to fire and blood on the night of Sunday-Monday," the newspaper reported.

More than 115 people were slaughtered Saturday night in a massacre at Remka, also in Relizane, according to the report.

As is frequently the case in Algeria, the government issued no statement about the killings, which could not be independently confirmed. But such reports are generally considered reliable by diplomats in Algiers.

During the weekend, Algerian newspapers reported that more than 400 men, women and children were butchered in four villages last week in the Relizane region, about 240 kilometers (150 miles) southwest of the capital.

Interior Minister Mustapha Benmansour called the reports "totally false" on Sunday and put the death toll at 78.

Witnesses in previous attacks have generally attributed them to militants from the Armed Islamic Group. Human rights groups have accused the government of at least a passive role in some killings, noting that several large mas-

AGENDA

U.S. to Study Plea To Aid North Korea

WASHINGTON (Reuters) — The United States will examine a United Nations appeal for food aid to North Korea, a State Department spokesman said Tuesday, noting that Washington "responded promptly and generously" to previous appeals.

The UN World Food Program asked for \$378 million in food aid to avert famine in North Korea.

Analysts, meanwhile, pointed out that the North has been strangely silent about the ongoing financial crisis in South Korea. Page 4.

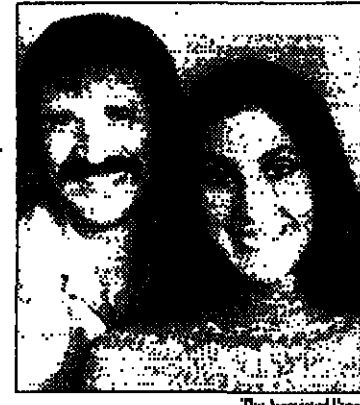
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The IHT on-line www.ihl.com



Sonny Bono Is Killed Skiing Into a Tree

Sonny Bono, 62, the former pop singer who became a congressman, was killed while skiing at Lake Tahoe's Heavenly Ski Resort. Above, Mr. Bono at a hearing in Congress last year. Right, with Cher, his former partner and wife, in 1977. Page 7.



Tuscans Hold Their Breath / How to Keep the Monument From Falling

Putting a Modern Slant on the Tower of Pisa

By John Tagliabue
New York Times Service

PISA, Italy — As if a girdle of steel cables around its base, 830 tons of lead ingots stacked on the rim of its foundations and a steel fence skirting its perimeter were not enough, the alluringly leaning tower of this maritime Tuscan city appears about to suffer further indignity.

If the plans of engineers entrusted with its welfare come to fruition, the 800-year-old marble pillar will be girdled sometime this spring with a heavy steel strap about one-third the way up its 187-foot (57-meter) height. From the strap, two steel cables will be strung, then anchored to the ground nearly 350 feet away.

The maneuver, which Italian newspapers have loosely compared to outfitting the structure with suspenders, may for a while mar its marble grace.

But strapping the pillar is a first step in an elaborate plan to prevent it from tumbling over altogether.

The bracing cables will enable experts to work toward a more elegant and enduring solution to the central problem: the centuries-old slow tilting, by about one twenty-fifth of an inch every year, which if intended will cause the tower one day to fall.

"I am not a technician, but it gives me peace of mind," Ranieri Favilli, the tower's octogenarian keeper, said of the plan. "I have the greatest confidence in the experts."

The experts are on an international panel entrusted by the Italian government with finding a way to protect the tower. Announcing the \$7 million plan recently, Michele Jamiolkowski, the Turin University professor of engineering who heads the panel, said it would "give us greater tranquility in the pursuit of our labors."

What those labors consist of is a process called "controlled subsidence," meaning that the ground below the northern flank of the tower will be lowered to provide a more level base. (The tower tilts south.)

Restoring it to the vertical is out of the question, of course. To begin with, the base is treacherously slanted. After the pillar was about one-third finished, and its perilous lean became obvious, construction was halted. It later continued closer to the perpendicular, but that could not offset the base's tilt.

Ultimately, Mr. Jamiolkowski says, the aim is to reduce the tower's lean to about five degrees from about five and a half degrees — and hold it there. That, the professor told Italian newspapers recently, "is enough to guarantee our tranquility for hundreds of years."

But in a country where the best-laid plans often fall victim to procrastination or politics, skeptics abound. Over the years, some Pisans point out, the tower has shown greater stability than, say, Italy's governments, of which there have been more than 50 since the end of World War II.

Others, like Rina Staderini, one of 101 stallholders along the tower's western flank who peddle items like miniature plastic replicas of it, favor a strict hands-off policy.

"If they touch it, it will topple," Mrs. Staderini said. "If they leave it in peace, it will stay on its feet."

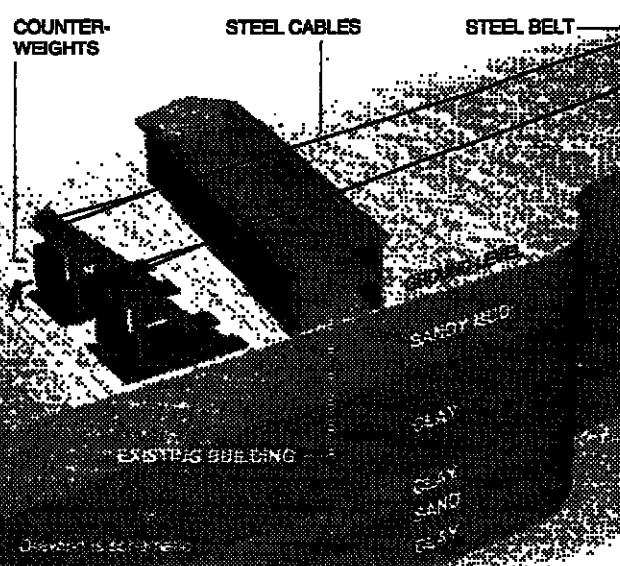
In 1965, after a drop in Pisa's water table caused the tilt to accelerate, a new law transferred responsibility for the tower's well-being from Pisa to Rome. But the experts disagreed on a choice of therapy.

Halting the Tilt

Engineers have planned a stabilization system that, once finished, would leave no visible marks on the historic Leaning Tower of Pisa. The tower would remain tilted but stable.

TEMPORARY SUPPORT

Counterweighted steel cables and a wide steel belt would support the tower while permanent construction, right, was being done.



ANGLE OF TILT WOULD BE REDUCED HALF A DEGREE, TO 5.5 DEGREES

HEIGHT 187 FEET

Lead weights now used as stabilizers would be removed.

PERMANENT SUPPORT

A new, wider concrete footing would be poured around the foundation.

Ten vertical steel cables would be anchored deeply in the ground and to the new footing, and tightened to keep the tower from leaning further.

Source: Corriere della Sera

Mika Grandal (The New York Times)

sponsibility for the tower's well-being from Pisa to Rome. But the experts disagreed on a choice of therapy.

"It is as with a sick person," said Mr. Favilli, the tower keeper. He is a retired architect appointed by Pisa's archbishop as the 97th holder of an office founded in 1089, before the tower was built, essentially to oversee construction of the adjacent cathedral and baptistry.

"At times the choice of therapy is difficult," he said. "The experts are all luminaries, and are not always of one mind."

Work on the tower began in 1174, under Bonanno Pisano. It was completed when Tommaso Pisano capped it in 1350 with a belfry. In January 1990 the tower was closed to the roughly 800,000 energetic visitors who, despite its incline of roughly 16 feet from the perpendicular, clamored up its 294 steps yearly to enjoy the splendid panorama from the top.

The plan hit upon by Mr. Jamiolkowski and his panel is to exploit the stability afforded by the strap and cables to perform the riskiest part of the project: pouring a ring of concrete underground around the foundations, then driving 10 steel cables from one side of this ring and anchoring them in firm layers of soil about 165 feet below the base.

This anchoring is necessary if, as the experts hope, the tower is to be reopened to visitors someday. The

two cables and strap can afterwards be removed, though no one is willing to guess how soon that will happen.

Just how risky the operation is became evident in 1995, when excavations around the base suddenly caused the 14,000-ton tower to lurch nearly one-tenth of an inch in one night. To pull it back, 230 tons of lead ingots were added to the 600 tons that engineers had begun gradually amassing on the rim of its base in 1992 as a counterweight.

Still more support was then provided by a girdle of cables wrapped around the lower portion of the tower; these are to be removed when all the work is finished.

Some Pisans do not want to see another corset and cables of steel go up.

"I am convinced that the tower will lose its fascination," said Francesco Giannoni, a Pisan who has admired the structure's profile for 35 years while hawking wooden Pinocchio, leather purses and little Leaning Towers.

Yet, the tower as building site appears not to put off the tourists who are the source of livelihood not only for peddlers like Mr. Giannoni, but also for Pisa's tour operators, hoteliers and horse-drawn-cab drivers.

"We'd read about it," said Teresa Marra, an American lawyer, after photographing three companions in the obligatory leaning pose in front of the tower. "In fact, I thought it would be more covered."

U.S. and UN Scramble To Plan for Flu Outbreak

By Lawrence K. Altman
New York Times Service

WASHINGTON — For decades, U.S. and World Health Organization officials have warned that an influenza pandemic rivaling the one that killed more than 21 million people worldwide in 1918 and 1919 could strike without warning.

Yet neither the U.S. government nor the UN health agency has approved final plans to counter a pandemic, even as they help the government of Hong Kong deal with an outbreak of "bird flu." That strain of influenza virus is the first to jump from birds to humans without going through other animals.

The government created a panel in 1993 to come up with a plan to deal with an influenza pandemic, and the latest draft, written last week, is being sent to Donna Shalala, the secretary of Health and Human Services. Approval is expected quickly now that events in Hong Kong have heightened awareness, government officials said. But they acknowledged that the Hong Kong outbreak had pointed up gaps in the draft, making further revisions likely.

In Hong Kong, there are now 16 confirmed cases. All the cases have occurred sporadically, with no known links between the patients, who range in age from 1 to 60. What most mystifies health officials is why the avian flu strain appeared in humans now and how it is being transmitted to humans.

The hope is that the avian strain, a type A influenza virus known as H5N1, will peter out.

But one fear is that the strain will adapt to allow easy human-to-human transmission. Another fear is that H5N1 will mix with one of the several human influenza strains now circulating to create yet another strain, one with the potential for producing an influenza pandemic, the term used when the disease strikes large numbers of people in a number of countries in a short time.

Influenza scientists around the world say they are reacting prudently, preparing for the worst case possible, in rushing to try to develop a vaccine to protect against the H5N1 strain. They are guided in part by the American draft plans for handling a pandemic and a draft that the UN health agency is developing separately.

U.S. and WHO officials interviewed expressed confidence in the thoroughness of their draft plans for a pandemic. But the UN agency refused to release a copy of its draft. The American disease-control agency initially denied repeated requests for a copy of the nation's draft plan, but Dr. Peter Patriarca, an official of the Food and Drug Administration, who is the principal author of the American draft, released it over the weekend.

Considering all possible contingencies that might be encountered in dealing with a pandemic is an enormous challenge because influenza is the most unpredictable of infections.

Yet the lack of a full-scale government plan is surprising because in 1976, the government, fearing a pandemic, recommended that all Americans get immunized against a swine strain of influenza that had struck a few soldiers at Fort Dix, New Jersey. The feared epidemic never occurred, and health officials still smart over the episode.

The latest draft says that health officials learned "a cardinal lesson from this experience: A new viral subtype introduced into a susceptible population need not necessarily be followed by pandemic spread."

Dr. Nancy Cox, the top influenza expert at the disease-control agency in Atlanta, said that in investigating H5N1, she was relying on the American draft plan, which she and a large number of other experts had helped prepare. She said the plan was sound.

Those responsible for developing the American pandemic plan have circulated for comment a draft written in August, about the time the H5N1 strain was first detected in a human, Dr. Patriarca said he had incorporated a number of criticisms from those comments in the latest draft.

The National Vaccine Program Office in the Department of Health and

The hope is that the avian strain will peter out.

Human Services oversees all federal immunization programs. The director, Dr. Robert Breiman, said that his office was sending Dr. Patriarca's latest draft to Ms. Shalala and that quick approval was expected.

But the draft does not explicitly cover several situations that have arisen in the Hong Kong crisis. For instance, elaborate safety precautions are needed because of H5N1's danger to humans and poultry. Thus, scientists working with the strain are allowed to do so only in highly secure laboratories designed to deal with the deadliest viruses. But even though virtually all leading influenza experts in the United States contributed to the blueprint, none discussed the need for high-security laboratories, Dr. Patriarca said.

A lack of such laboratory sites has prevented the food and drug agency's top influenza virologist, Dr. Roland Levandowski, from working on the strain. "We have been spinning our wheels for two or three weeks because he did not have the right facilities to work in," Dr. Patriarca said.

Although large numbers of birds were destroyed in 1983 when an avian strain known as H5N2 struck in Pennsylvania and a decade later in Mexico, the draft does not explicitly deal with how to slaughter large numbers of animals in the United States.

Hong Kong officials who ordered the slaughter of more than a million chickens and other birds have come under attack for lapses in the destruction of the fowl. Health officials do not know if the drastic measure of slaughtering the birds will halt the transmission.

"The scenario that is being played out now in Hong Kong is something that we had not thought about or talked about," Dr. Patriarca said, adding that the Hong Kong situation "has thrown us for a loop in all kinds of ways" and pointed up gaps that would require further revisions of the latest draft.

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Radar Trouble Delays U.S. Moon Mission

Reuters

CAPE CANAVERAL, Florida — The launching of a low-cost lunar explorer was delayed because of trouble with a U.S. Air Force radar dish needed to track the rocket, NASA officials said.

Originally planned for Monday, the lift-off of Lunar Prospector, the National Aeronautics and Space Administration's first mission to the moon in 25 years, was rescheduled for Tuesday evening, said Bruce Buckingham, an agency spokesman.

"The range radar was down," he said. "There was no time to fix the problem."

The radar dish is needed to track the trajectory of the probe's Athena 2 rocket for safety reasons.

NASA has only two opportunities each month to launch the Prospector probe. If the rocket does not get off the ground Tuesday, it will have to wait until Feb. 5 to take advantage of the most fuel-efficient route to the moon.

The space agency also said that the probe was carrying an ounce of the waste of a planetary scientist, Eugene Shoemaker, who died in a car accident last year. He had trained the astronauts who were involved in the Apollo moon landings.

Great White Shark Killed By Bathers Near Cape Town

Reuters

CAPE TOWN — Bathers attacked and killed a great white shark floundering off a Cape Town beach over the New Year's holiday, conservation officials said Tuesday.

A state sea fisheries department spokesman said researchers believed that the shark, measuring 4.4 meters (14 feet), was struggling in the shallows because it had been weakened by disease or injury. The great white, responsible for most shark attacks on humans, is protected in South African waters because its numbers are dwindling.

All Safe as Iranian Plane Lands in Desert

Reuters

TEHRAN — Rescue teams found an Iranian airliner Tuesday that made an emergency landing in the desert near the city of Isfahan, and all 113 people on board were safe, Tehran radio said.

It said that rescue teams reached the Fokker-100 plane of the national carrier Iran Air in the morning after an all-night search and found the 104 passengers and 9 crew members unhurt.

"Fortunately, because of the rains in the past few days and the type of earth in the area, the ground was soft and the plane was able to perform a good emergency landing," Ali Shabchehri,

head of Iran's civil aviation authority, told the radio.

The plane was flying to Tehran on Monday evening from the northwestern city of Orumiye but was diverted to Isfahan in central Iran because of bad weather, Mr. Shabchehri said.

The craft was unable to land in Isfahan "due to technical reasons which are being investigated" and was forced to perform an emergency landing outside the city, he continued. He did not discuss the extent of damage to the plane.

Heavy fog hampered the wide search operation.

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TRAVEL UPDATE

U.S. Cutting Back on Alcohol Tests

WASHINGTON (AP) — So few aviation workers are testing positive for alcohol use the government has decided to cut back on the tests. This year, 10 percent of aviation industry workers in safety- and security-related jobs will undergo random alcohol testing, the Federal Aviation Administration said, down from a 25 percent requirement in the past.

The alcohol violation rate was approximately 0.06 percent for 1995 and approximately 0.08 percent for 1996. Under the law, the percentage of workers checked can be cut to 10 if less than one-half of 1 percent test positive two years in a row. The random minimum drug testing rate remains at 25 percent.

Correction

An article Dec. 31 incorrectly reported that avian influenza virus found in chickens in Pennsylvania in 1983 and in Mexico in 1994 and 1995 was the same as that found in chickens and humans in Hong Kong since May. The type A virus in Pennsylvania and Mexico was H5N2, a strain similar to that in Hong Kong, H5N1, a new strain.

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THE AMERICAS

Doctors Hope a Gene Will Let Heart Grow Own Bypasses

By John J. Goldman
Los Angeles Times

NEW YORK — Physicians at the New York Hospital-Cornell Medical Center have announced what they say is the first application of gene therapy to heart disease: the injection of a gene instructing cells to make new blood vessels into the heart of a 60-year-old man.

The hope is that the heart will grow its own bypasses, opening a new era of treatment. The gene was

carried by a modified virus for the common cold.

In the new issue of the Journal of Thoracic and Cardiovascular Surgery, researchers at the medical center described successful animal experiments using gene therapy that resulted in the growth of cardiac blood vessels. On Dec. 17, surgeons at New York Hospital performed two bypasses on a patient with three clogged arteries. The third artery was so blocked that it could not be operated on.

Instead, a gene-based agent to stimulate the growth of blood vessels was injected into heart muscle near the blocked artery. The hope is that a network of new, smaller blood vessels will grow, compensating for the clogged artery.

Cornell physicians said it would be some time before they knew whether new vessels would grow. In addition to the clinical trial, other approaches to induce cardiac blood vessel growth are under way. "Preliminary laboratory experi-

ments involving the multiple approaches have all looked quite promising," said Dr. Leslie Leinwand, head of the basic research council of the American Heart Association.

Of the New York trial, she said: "This is quite an invasive procedure, and I think it is important to be cautious and not expect too much from this early safety trial."

In November, researchers in Massachusetts reported that gene therapy reversed disease in a group

of patients with hopelessly blocked blood vessels in their legs.

At the University of California, San Diego Medical Center, animal studies have shown that the gene therapy approach works. But researchers there have moved on to other techniques, using infusions of proteins that cause blood vessel growth.

These proteins can be injected into the bloodstream without the need for direct injection into heart muscle.

Balanced Budget: If So, Then What?

Political Tug-of-War Is Gearing Up

By Richard W. Stevenson
New York Times Service

WASHINGTON — President Bill Clinton's announcement that he could balance the budget next year, three years ahead of schedule — and his implicit acknowledgment that the budget could even show a surplus as soon as this year — is sure to result in a free-for-all on Capitol Hill.

There will be a grab-bag atmosphere driven by ideology, special interests and old-fashioned pork barrel politics for any windfall that comes the way of the government and taxpayers.

In economic terms, moving from the \$22.7 billion deficit the government recorded for the year ended Sept. 30 into balance or surplus over the next year or two is not terribly significant. The deficit has already come down from a peak of \$290 billion in 1992, and at its current level is only a tiny portion of the nation's economic output.

But in political terms, closing the last of the gap not only allows Mr. Clinton and both parties in Congress to say that they completed the job as they maneuver for advantage in this year's midterm elections, but it also gives them freedom to move into a less constrained new era.

"I welcome other people to the debate," Mr. Clinton said, effectively pronouncing a start to the politics of plenty.

Both Mr. Clinton and Republican leaders cautioned against a rush to abandon fiscal discipline, although the evidence suggests that it has been a stronger-than-expected economy more than any belt-tightening or political fortitude in Washington that led to Monday's good news.

Moreover, the nation will undoubtedly face fiscal challenges again, perhaps sooner than anyone in Washington has been counting on if the economy turns down. Asia's woes stand as a reminder of how sharply high-flying economies can fall.

But judging by the rush among members of Congress over the last several months to stake claims to any budget surpluses, no one is much listening to the warning signals.

Hours before Mr. Clinton's announcement Monday, the speaker of the House, Newt Gingrich, said any surplus should first be used to help pay down the \$5 trillion debt the nation has accumulated over the years.

But he added that some portion of any surplus this year should go to an annual broad-based tax cut of the sort that Republicans have been pushing unsuccessfully for years.

Indeed, after coming to a wary truce with Mr. Clinton last year in order to put in place a plan to eliminate the deficit, Republicans now seem eager not just to battle for big tax cuts, but to reintroduce their argument that cutting taxes not only puts

money back in the pockets of citizens but helps starve, and therefore shrink, the federal bureaucracy and Washington's influence.

"There's a difference between a big government with a balanced budget and a small government with a balanced budget," said Representative Bill Archer, Republican of Texas, who is chairman of the tax-writing Ways and Means Committee. "That's why it's important to reduce the excessive tax burden on the American people, which in turn reduces the size and power of the government."

For their part, Democrats, while pledging fiscal responsibility, have been asserting that there is pent-up demand for additional spending on health, education and social programs.

"We face a set of delayed or deferred choices for the country, particularly with respect to children, with respect to our schools and our infrastructure," Senator John Kerry, Democrat of Massachusetts, said.

Both parties show signs of succumbing to old political habits.

Representative Bud Shuster, Republican of Pennsylvania, who is chairman of the House Transportation Committee, has won support from both sides of the aisle for plans to increase spending on road-building, the kind of project that members of Congress can point to with pride when they go home to campaign.

Mr. Clinton has yet to specify how he would allocate any surpluses, but White House officials have been wary of efforts by Republicans to pass big tax cuts. They said their fear was that Republicans might push through big tax cuts during a period of prosperity — and then demand big spending cuts in programs that Mr. Clinton has battled to protect at the first hint that the deficit might reappear.

The jostling for a piece of the surplus is likely to be somewhat tempered by an emerging consensus within both parties that the good fiscal news provides an opportunity to confront the problem of how to keep the Social Security and Medicare programs from going bankrupt during the first decades of the next century.

The administration said this weekend that it wants to help forge a bipartisan solution to the problems of Social Security in the next two years. On Monday, Mr. Gingrich endorsed that timetable.

And although there is still no agreement about how to go about shoring up the retirement program, White House officials and Republican leaders said the elimination of the budget deficit gives them added political and economic flexibility.

"The job of dealing with Medicare and Social Security is now tied up for the political process," said Franklin Raines, the White House budget director.



President Clinton discussing budget initiatives with his economics team, from left: Paul Begala, presidential adviser; Franklin Raines, chairman of the Office of Management and Budget, and Erskine Bowles, chief of staff.

Gingrich on Surplus: Cut Debt and Taxes

By Neil A. Lewis
New York Times Service

ATLANTA — The House speaker, Newt Gingrich, has proposed that any budget surplus produced this year be used to reduce the national debt and to pay for the first of a series of annual across-the-board tax cuts.

Mr. Gingrich spoke before President Bill Clinton's declaration Monday that the budget he will send to Congress later this month will indeed be balanced — a situation that has not occurred since 1969.

The speaker said it was important symbolically to return any surplus produced by the strong economy to taxpayers. At a breakfast meeting of the Cobb County Chamber of Commerce here, Mr. Gingrich said that the anticipated budget surpluses should also be used to lower the national debt. And he said his long-range goals for future surpluses were to eliminate the so-called death penalty — high inheritance taxes — and to reduce the capital gains tax.

The first goal should be "to pay down the debt" from the surplus, he said, especially on the trust funds for trans-

portation and Social Security. But he added that it was an important goal to "try to get to at least a small tax cut every year." Even in the first year a surplus occurs, there should be an across-the-board cut achieved either by increasing personal deductions or reducing tax rates, he told reporters after the speech.

"We should take a step in the right direction, even if it's a small step," Mr. Gingrich said. Such an approach to cutting taxes, he said, was preferable to tax cuts for specific groups like those in last year's budget agreement.

Mr. Gingrich said that the drastically changed federal fiscal landscape, widely anticipated in the coming years, should be used to gradually reduce all taxes, including local taxes, to no more than a fourth of an individual's income.

"I would suggest that in peacetime, our goal should be that all three levels — state, local and federal governments — should not take more than 25 percent," he said, adding that the average is now about 38 percent.

Mr. Gingrich said he was unsure about whether there would be a surplus in the current fiscal year, adding that he would

know better in coming weeks when the Congressional Budget Office and the Office of Management and Budget release their projections for the deficit.

Mr. Clinton's call to have Congress address the issue of changing the Social Security system before the end of the century.

But Mr. Gingrich took issue with most analysts, who believe that doing so would involve considerable sacrifice. He proposed that Congress establish a commission, comprised of members who represented three generations, to consider ways to buttress the Social Security system.

While not offering any specific proposals, he rejected the view that painful choices are inevitable.

"Anyone who thinks you're going to have to make painful choices doesn't understand the marketplace," he said.

Mr. Gingrich said he believed that the best, if not the only, opportunity to change the Social Security system would be in the "12 to 15 months after the elections this fall." After that, he said, the cross-currents of presidential politics would be too strong to deal with the issue.

Snag on Lawyers Delays Unabomb Trial

Washington Post Service

SACRAMENTO — The trial of Theodore Kaczynski, which came to a mysterious and sudden stop when the alleged Unabomber blurted out to the court that he had a "very important" statement to make about his relationship with his attorneys, has been delayed.

Opening statements, scheduled to begin Monday morning, were delayed until Thursday at the earliest and the jurors, who had not yet come into the courtroom when Mr. Kaczynski staged his outburst, were excused until then.

Mr. Kaczynski was ushered into the judge's chambers with his attorneys for more than four hours of discussion.

While the exact nature of the conference was not revealed, leaving Mr. Kaczyn-

ski's first public utterance since his arrest largely wrapped in mystery, U.S. District Judge Garland Burrell Jr. — and Mr. Kaczynski's own words — indicated the defendant is again wrangling with his own attorneys.

"Your honor, before these proceedings begin, I would like to revisit the issue of my relationship with my attorneys," Mr. Kaczynski said.

The defendant previously has fought with his lawyers over their attempts to portray him as mentally ill. At least two mental health experts, hired by the defense, have examined Mr. Kaczynski and concluded that the former mathematics professor turned mountain man suffers from the delusions of a paranoid schizophrenic.

Mr. Kaczynski himself has resolutely denied that he is, as

the recluse put it in one of his own journals, "a sickie." He has refused to be examined by government psychiatrists and has cut off interviews with his own doctors when they broached the subject of his possible mental illness.

Because of Mr. Kaczynski's refusal to be examined by government experts, his defense team has been denied the opportunity to offer mental health testimony.

Efforts by his attorneys to secure a plea bargain — an admission of guilt in exchange for a life sentence rather than the possibility of death — have been rebuffed by prosecutors.

But Mark O'Sullivan, an FBI chaplain who is serving as the spokesman for the family of a slain forestry lobbyist, Gilbert Murray, said the family was "extremely disappointed to have the defendant stand up and grind things to a halt today."

Robert Cleary, the prosecutor, also expressed frustration and asked Judge Burrell in court to "firmly and finally" resolve the disagreements between Mr. Kaczyn-

ski and his lawyers. Judge Burrell said he was trying but suggested that it was not easy.

A criminal proceeding sometimes involves dynamics that a judge has to react to," he said.

If Mr. Kaczynski is trying to dismiss his court-appointed attorneys, it will be difficult at this stage, according to legal experts, but not impossible. One San Francisco defense attorney's office confirmed that it had been contacted by the judge on Monday.

Other attorneys could be appointed, but that might delay the trial for weeks or months and may require a long jury selection all over again.

The case against Mr. Kaczynski is seen by observers as almost overwhelming. Found in his 10-by-12-foot (3-by-3.5-meter) Montana cabin was a trove of damning evidence, including coded journals that read like virtual signed confessions, as well as a signature explosive device in the Unabomber style and a draft of the Unabomber's 35,000-word manifesto raging against industrial society.

POLITICAL NOTES

Clinton Offers Medicare Deal

WASHINGTON — With older Americans at greater risk for being denied private health coverage, President Bill Clinton proposed Tuesday to let early retirees and laid-off workers buy into Medicare as early as age 55.

The president's proposal is similar to an option offered by Social Security, in which people can spread their pension benefits over a longer period, starting at age 62 instead of 65.

"These people have spent their lifetimes working hard, supporting their families, contributing to society," Mr. Clinton said. "Just at the time they most need health care, they are least attractive to health insurers who demand higher premiums or deny coverage outright."

The plan, if approved by Congress, would let some Americans from 62 to 65 pay a monthly premium of about \$300 — plus an additional monthly payment of \$10 to \$20 — to get government health insurance through Medicare. Once they became fully eligible for Medicare, at age 65, people who bought in early would pay slightly higher out-of-pocket fees than those who did not.

Laid-off workers over age 55 would be offered a similar buy-in option. (AP)

Boy Scouts vs. Atheists et al

LOS ANGELES — The California Supreme Court has been asked to let homosexuals, agnostics and atheists join the Boy Scouts of America.

The challenge, to a movement that has not changed its rules since its foundation at the turn of the century, hinged on whether the Boy Scouts should be considered a business or a charitable organization.

If the organization is deemed to be a business, it could be forced to admit homosexuals, women and atheists. The ruling could have national implications. (Reuters)

Quote/Unquote

James Rubin, the State Department spokesman, on reports that broadcasters are being overcharged by the Cuban government to cover the papal visit starting Jan. 21: "As we get closer to the visit, I'll try to make sure I'm armed with all the information surrounding that visit. But I can state with great confidence here and now that we are against price gouging." (IHT)

Away From Politics

• A new high school in California whose student body is expected to be about two-thirds white will be named after Martin Luther King Jr. despite some race-based concerns. The Riverside school board rejected worries that using the slain civil rights leader's name could hurt students' college chances in less-tolerant states. (AP)

• Children breast-fed longer do better in school, with benefits that can be measured into adolescence, a report asserts. Researchers at the Christchurch School of Medicine in New Zealand, said they followed more than 1,000 children from birth in 1977 through age 18. Some were breast-fed less than four months, others four to seven and some for eight or more; others were not breast-fed at all. The report says the longer infants were breast-fed, the higher they scored in evaluations. (Reuters)

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David Brinkley's New Role: Pitchman

By Bill Carter
New York Times Service

NEW YORK — A series of commercials using the former ABC News anchorman David Brinkley as a spokesman began appearing on network news programs last weekend, including on Mr. Brinkley's former weekly discussion program, "This Week."

The commercials, for the giant agribusiness company Archer Daniels Midland, featured Mr. Brinkley, who retired from ABC last year, telling viewers: "I will still speak straight and true. I'll never change that. But now I will bring you information about food, the environment, agriculture — issues of importance to the American people and the world."

Mr. Brinkley's appearance created

the possibility that the audience might think he still worked on his former program.

ABC was concerned enough about the potential confusion that it had the current co-anchor of "This Week," Cokie Roberts, issue a disclaimer about Mr. Brinkley immediately after the first of three commercials that he appeared in was broadcast.

Ms. Roberts said: "First, we want to congratulate David Brinkley on his new role. After leaving ABC News, he's now the spokesperson for Archer Daniels Midland."

ABC had the right to keep the commercial off the air, as it does for any commercial it deems inappropriate.

"We did review the commercial and decided there was no reason not to air it," said Eileen Murphy, spokeswoman for ABC News. "It put us in a

unique position. But David doesn't work for us anymore."

But Joan Konner, publisher of the Columbia Journalism Review and a former dean of the Columbia School of Journalism, said of Mr. Brinkley's new role: "I think it's awful. Lines should be distinct, and they are not distinct in this case."

She added, "It would have been a testament to the integrity of ABC News not to air this particular commercial."

Mr. Brinkley, 76, did not return telephone calls seeking comment.

Archer Daniels Midland, based in Decatur, Illinois, has been a longtime sponsor of "This Week."

The company admitted in October that it had conspired to fix prices for citric acid and lysine, and agreed to pay the government a \$100 million criminal fine, a record for a corporation.

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BRIEFLY

speakers along the DMZ that hurl North Korea's propaganda southward have gone largely silent.

"They've done a bit of crowding over the situation down here, but not nearly as much as they could have," a U.S. official in Seoul said. "They've been far less noisy and obnoxious than in any previous election. Personally, I think it looks like they are preparing to get more engaged with the South."

Indeed, on Dec. 9, in the middle of North Korea's financial disintegration, North Korean negotiators sat down with American, South Korean and Chinese officials for the first substantive peace talks in 40 years among the key parties in the Korean war. The meeting was widely hailed as the best chance to achieve a formal peace treaty to replace the armistice that suspended the fighting in 1953. But most newspapers in South Korea played the story quietly on inside pages and it drew little reaction from the people of South Korea, who were preoccupied with the financial turmoil.

NEW DELHI — A passenger train sped through a red light on a foggy night in northern India and slammed into a parked train, killing 51 people and injuring 62, United News of India reported Tuesday.

The collision occurred late Monday near the Karna railroad station, 400 miles southeast of New Delhi, the agency said, quoting a Railroad Ministry statement. The ministry said some bodies were still feared trapped in the debris.

One survivor said rescue workers reached the remote site four hours after the accident. The parked train had apparently halted after hitting a

(AP)

BANGKOK — Khmer Rouge guerrillas in Cambodia have allowed a Thai reporter to meet briefly with Pol Pot, dispelling rumor that the former Khmer Rouge leader had fled abroad from their jungle hideout, the Bangkok Post reported Tuesday.

"My political life is finished," said Mr. Pol Pot, who was condemned last fall by his comrades to life under house arrest in Anlong Veng, a village near the Thai border.

"I probably cannot say more."

Mr. Pol Pot, 73, is responsible for the deaths of more than a million people when he ruled Cambodia from 1975 to 1979. The Thai reporter, Pray Sangnuang, who met Pol Pot, said on Sunday, said Mr. Pol Pot appeared ill. (NYT)

LONDON — Launching the biggest appeal in its history, the World Food Program urged the international community on Tuesday to donate more than \$378 million this year to avert famine in North Korea.

"The number of people at risk are a vast majority of the population of 23 million," said the program's executive director, Catherine Bertini. Last year, the UN agency provided more than 363,000 tons of food to 4.7 million North Koreans. (AP)

BEIJING — The embalmed corpse of Mao Zedong was back on public display Tuesday in Beijing.

After nine months of touch-ups and structural changes, the Chairman Mao Memorial Hall in Beijing's Tiananmen Square quietly reopened to the public.

Mao died in 1976 after a 27-year reign as China's absolute ruler.

(Reuters)

SEOUL — Defense Secretary William Cohen is scheduled to visit South Korea on Jan. 21 as part of an 11-day tour of Asia that also includes China and Japan, a spokesman for the U.S. Embassy in Seoul said Tuesday.

Mr. Cohen was scheduled to visit Asia in November but canceled because of the crisis over the weapons inspection program in Iraq.

South Korea will be the last leg of the trip, which begins Jan. 12 and ends Jan. 22, the spokesman said.

(Reuters)

President Suharto in Parliament on Tuesday unveiling the 1998-99 budget. The 55-minute speech was his longest public address since doctors ordered him to rest last month.

In an interview with the International Herald Tribune, published Monday, South Korea's president-elect, Kim Dae Jung, said he was committed to replacing the "corrupt connection between businessmen and political power" in a government-controlled economy with a free-market system that would open South Korea more widely to foreign investment and competition.

To be sure, businessmen and politicians with vested interests are fighting to preserve cozy relationships that have brought them wealth and clout. In downgrading Indonesia's long-term foreign currency debt to junk-bond status last week, the international rating agency Standard & Poor's Corp. said there was a "risk that the pervasive linkages between the political and business elite could stymie the institutional, legal and financial sector reforms upon which the restoration of investor confidence now depends."

Shortly after Indonesia agreed on terms for an IMF-led loan package of about \$40 billion in October, Indonesian financial authorities closed 16 banks that they said were insolvent or had broken banking rules, including three that were partly owned by relatives of President Suharto. But two of the relatives promptly

bought another bank, and an Indonesian court, in a move some critics said was subject to political influence, suspended closure of the third relative's bank until it reached a final verdict on the case.

Analysts said the continuation of some major infrastructure projects initially put on hold because of the financial turmoil also raised questions about the government's credibility and commitment to reform. Several of the projects involve Mr. Suharto's relatives or friends as shareholders and were restarted on presidential instructions.

Nonetheless, Radins Prawiro, a former Indonesian finance minister appointed recently to help heavily indebted companies negotiate new loans and longer repayment periods with foreign creditor banks, said that even well-connected companies would not be bailed out by the government.

Nor could they expect "subsidies, protection, special treatment or facilities from the government, similar to what they had received in the past," he said.

Across the region, capital is becoming more expensive, as interest rates rise to help halt the fall in the value of local currencies and to compensate for increased investment risk and lower growth. This is compelling companies to use capital more efficiently, ratchine

them to reward profitable enterprise in the place of crony connections.

Jeff Weingarten, London-based global strategist for Goldman Sachs, said the tight-credit environment and the inability to raise debt or equity would make East Asian companies "focus more on their use of capital, something they have not had to do for a long time."

The trend toward greater cost efficiency will be reinforced by a growing wave of mergers and acquisitions, and debt-to-equity conversions, as distressed banks and businesses in East Asia are taken over by stronger entities. The recent lifting or easing of long-standing restrictions on foreign ownership of companies in South Korea, Indonesia and Thailand has opened the way for an increase in overseas control, an injection of more professional management practices and accounting standards, and improvements in bankruptcy provisions, analysts said.

Banks in those three countries and other troubled East Asian economies are estimated to have bad loans that total more than \$100 billion. They need immediate injections of cash to capitalize their balance sheets.

"The coming year is likely to be marked by a massive move toward recapitalization of both Asian-owned banks and the companies to which they have

lent, and the major way that this recapitalization will take place is by converting debt to equity," Political & Economic Risk Consultancy said in a recent report to corporate clients. "A large part of the workout will involve foreign companies and banks taking equity stakes in these troubled Asian banks and enterprises."

Companies from the United States, Europe and the stronger Asian economies — such as Singapore, Taiwan and Hong Kong — are leading the hunt for such acquisitions. In Thailand, for example, a consortium of five Taiwan banks said last week that it was considering buying Bangkok Metropolitan Bank, following sweeping boardroom changes to make it more attractive and a promise that the deal might be further sweetened by converting debt owed to Bank of Thailand, the central bank, into shares.

Citicbank is working to complete its due diligence investigation of another Thai bank, First Bangkok City Bank Ltd., by Feb. 21 before making an agreed takeover final, while Prudential Securities of the United States has expressed interest in major parts of Thailand's Nava Finance and Securities Ltd.

Largely as a result of crony capitalism, banks and other businesses in South Korea, Indonesia and Thailand are saddled with huge debts. According to

official figures, the three countries owe a total of \$379 billion — much of which is due to be repaid within 12 months.

Of the total, \$294 billion is owed by the private sector, mainly by companies that enjoyed favored access to governments and used such influence to advance their business interests. Analysts said that a large part of the money was spent on excessive and unprofitable industrial, real estate and infrastructure expansion — and on contributions and kickbacks to governing parties and officials for facilitating the loans and other favors.

"While South Korea is in theory a capitalist country with a market economy, its debt crisis has been a direct by-product of government industrial policies designed to maximize the growth of industrial production rather than corporate profitability," said David Hale, global economic strategist at Zurich Kemper Investments in Chicago.

Robert Broadfoot, managing director of Political & Economic Risk Consultancy in Hong Kong, said that bad political leadership had created the economic mess in East Asia.

"In Thailand, it was corruption," he said. "In Indonesia, it was nepotism. In Korea, it was a warped relationship between big business and government that led to gross asset misallocation."

successor and a very real risk of violence against ethnic Chinese.

Other economists and currency traders, while highlighting specific concerns such as the rise of the dollar against the yen and uncertainties about Indonesia's new budget, said the crisis had now built up enough momentum to feed on bad news from almost any market.

"Every minute is a new era," said a foreign-exchange trader in Singapore.

In Asian trading, the rupiah fell by as much as 14 percent, to 7,700, against the dollar, the lowest level since the Indonesian currency began trading in 1971. The rupiah has lost 26 percent of its value during the last three trading days, on top of the currency's 56 percent plunge in the final months of last year.

The Malaysian ringgit plunged by as much as 6.4 percent against the dollar, to 4.3657, its lowest level since it was floated in 1973. The Thai baht fell by as much as 8 percent, to 54.35 per dollar, and the Philippine peso touched a new low of 45.209 per dollar after banks widened the band within which the currency could be traded.

In Thailand, where exporters reluctant to change their dollars for baht have been blamed for undercutting the currency, officials tightened rules for the repatriation of foreign earnings and said further measures against speculation would be announced later this week.

Effective Wednesday, exporters will be required to immediately repatriate foreign-currency earnings instead of awaiting up to 120 days, as formerly allowed, said Finance Minister Tarrin Nimmannhaeminda.

Mr. Tarrin said several hundred million dollars' worth of funds would be brought to Thailand in what he said was a one-time move to support the baht.

While analysts likened the move to a cost-free intervention by the central bank, many questioned the government's ability to enforce the new rules and said there were few direct measures that could be taken to check the falling currencies.

Many regional economists have given up any pretense of predicting how far the region's currencies will drop.

"To point out how bad it could get is people used to say: Look how far the Mexican peso went during their crisis," said Eric Nickerson, managing director of currency research at Bank of America. "But with the Indonesian rupiah having fallen beyond that level, this model no longer holds."


The extreme volatility could continue through the first quarter of the year or until more players are willing to enter the currency markets, Mr. Nickerson said.

"It has turned into a self-destructive vicious circle," said Bernhard Eschweiler, head of economic research at J.P. Morgan. The currency depreciations force companies to refinance, which undermines their financial health, hurts the economy and in turn pulls the currency further down, he said.

Mr. Eschweiler said that by the middle of this year the effect of slowed imports into the region would give some lift to currencies.

"Stabilization of the currencies could very quickly become an appreciation," Mr. Eschweiler said. "Once it starts grabbing the market, these currencies offer great value."

But the falling currencies do not necessarily mean that buying into the region's companies will bring bargains, an economist in Bangkok said. Each drop in the value of local currencies increases the risk of massive corporate defaults across the region, the economist said, as companies find themselves unable to repay dollar-denominated loans.




Indonesia's finance minister, Mari'e, after a preliminary hearing on the s

"How can anyone possibly pay what they owe?" the economist said. "Debts are now worth double what they were when originally borrowed, the markets in which they earned profits are shrinking with the economic downturn and outside investors aren't coming in."

■ **Kim Vows to Allow Layoffs**

South Korea's incoming government vowed to pass laws making it easier for companies to fire employees, as workers at the country's biggest conglomerate threatened to strike in protest, Bloomberg News reported from Seoul on Tuesday.

"We are at a crossroads," said President-elect Kim Dae Jung in a speech Tuesday. "We can either take a leap or



Korael Jellif/Agence France-Presse

Muhammad, speaking to reporters at a budget in Jakarta on Tuesday.

fail, depending on reforms of *chaebol* and labor laws."

His comments came a day after the country's second-biggest labor union threatened "bloody strikes" if the government enacted the new labor laws.

In a late-night meeting Monday, leaders of the three main political parties agreed to push for passage of the legislation as early as next week in an emergency session of Parliament.

The law now forbids all but the most financially stressed companies from dismissing workers.

"We strongly urge the government to withdraw plans which will prompt massive unemployment," the Korean Confederation of Trade Unions said.

that is too high." The reason real interest rates remained so high, he said, was that there was still reflect fears about inflation and the public sector finances of the past 15 years in all Europe. "But Mr. Ciampi argued that "since inflation is down now, and deficits are down thanks to the Maastricht process, there is now a margin for a reduction in real interest rates across Europe."

Lower interest rates, he added, were also "the best way to fight unemployment by spurring growth."

In addition to the economic reasons for reducing rates in Europe, the financial crisis in Asia would provide further scope for reducing rates, Mr. Ciampi said. "While the Asian crisis will mean a slowing of global economic growth, developments in Asia together with the appreciation of the American dollar, should change expectations about interest rates on both sides of the Atlantic."

"Six months ago, the United States seemed to be on the verge of raising rates," Mr. Ciampi said. "Now Fed chairman Alan Greenspan is sending opposite signals, and I am in complete agreement with Mr. Greenspan that our concern should be about deflation, and no longer about inflation."

Europe's economic government, he said, should evolve as a mix between regular meetings of finance ministers and the policy-making Euro-X Council.

The European Central Bank, he explained, would therefore have "an interlocutor, just like the Federal Reserve in America has a political interlocutor, the government."

The Euro-X should be an organ that is no longer just a consultative body for ministers, but a place where decisions are made along the lines of a federal Eurozone.

fr. Ciampi said. "The Euro-X makes sense only if you can manage the single currency and make decisions that are different from those which would be made with a national perspective."

Mr. Ciampi was visibly ebullient after the latest figures showed that Italy's deficit was more than halved in 1997 to 2.1 percent of its gross domestic product, comfortably below the 3 percent target for nations wishing to qualify for the euro.

He also made these other points:

- To combat Europe's jobs crisis, a long-protracted attack would be needed comprising both lower interest rates and new measures to make our labor market more flexible and to provide more vocational training for workers."
- He understood fears in Germany that the new euro might be a weaker currency than the Deutsche mark, and conceded that "it is up to us in Italy to make sure it is not weaker and the way to do that is to continue to keep our deficit down in 1998 and beyond."
- Italy is determined to trim its public sector debt, which in 1997 stood at 122 percent of GDP. As a result of privatization proceeds and an expanding economy, he predicted that the debt as a proportion of GDP would drop to below 100 percent in the next five years.
- The idea of legislation now being debated in Rome that would automatically mandate the introduction of a 35-hour workweek was "nonsense" and would not create jobs as its advocates argued, but merely increase costs.
- The government plans to push ahead with a new round of privatizations in 1998, and aims to raise between 20 billion (\$11.2 billion) and 30 trillion lire, an amount similar to the proceeds of 1997.
- The government is weighing plans for a new partial privatization of the state-owned group ENI that would raise about

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Europe Chastises Turkey on Kurds

Italy and Others Urge Ankara to End War and Solve Refugee Crisis

By Stephen Kinzer
New York Times Service

ISTANBUL — The surge of Kurdish refugees fleeing aboard rusty boats from Turkey to Italy has again focused European attention on the 13-year-old war between Kurdish rebels and the Turkish Army, one of the world's longest-lasting and most intractable civil conflicts.

Officials in Italy and several other European countries have made renewed calls on Turkey to change its approach to the conflict, but Turkey has rejected them.

Last week, more than 1,200 refugees, most of them Kurds from Turkey along with some from northern Iraq, arrived in Italy. Reports from news agencies and refugee groups suggest that 1,000 or more Kurds may be on the way. Roman Catholic bishops have called on the government to set up special reception centers for them.

Refugees in Italy said they had paid \$1,000 to \$4,000 to smugglers who brought them to Istanbul and other Turkish ports for the trip. It is the largest flow of refugees into Italy since 16,000 Albanians landed there last year.

Alarmed at the exodus, senior police officials from Italy, Turkey, Austria, Germany, France and Switzerland have agreed to meet in Rome on Wednesday to map out a strategy.

The Italian government, influenced by human rights advocates in governing

parties and the Roman Catholic Church, has welcomed the Kurds with a warmth that Turkey finds disconcerting.

Prime Minister Romano Prodi asserted Sunday that Italy would greet Kurdish refugees "with open arms" and said the issue of their civil rights in Turkey is "real, not fictitious." President Luigi Scalfaro said Italy was "wide open" to people "living with persecution."

Turkish officials replied by insisting that Kurdish refugees have no reason to claim persecution in Turkey and that their applications for political asylum are unjustified. They have warned that those who are fleeing include criminals and supporters of the rebel forces.

[A Turkish Kurd refugee whose asylum application was twice rejected by Germany died Tuesday after dousing himself with gasoline and setting himself on fire, The Associated Press reported from Wesel, Germany.]

The German authorities said he had spent about six months in a Turkish prison on suspicion of being an accessory to the killing of a policeman there.

"The position of the Turkish government is that in Turkey, there is no Kurdish question," Sukru Sina Gurel, a minister without portfolio in the government of Prime Minister Mesut Yilmaz, said to the Italian newspaper La Stampa. "At a time when many European countries are closing their doors to this dangerous class of person, Italy, by guaranteeing political asylum, offers it-

self as a new refuge. But it is dangerous to take criminals along with refugees."

Turkish officials are unhappy that the political wing of the Kurdish Workers Party, the main rebel group, is allowed to operate in Rome. Mehmet Balci, a spokesman there for the political wing, said people were fleeing because of brutal practices by the Turkish Army.

Their homes were burned, and cattle were killed," Mr. Balci said to The Associated Press. "They are fleeing the war to places where they can live in safety."

Other European governments have joined Italy in urging that Turkey re-examine its policy toward the Kurdish rebels. Their concern stems in part from fear that if Kurds are granted refugee status in Italy, they will seek to travel from there to other countries. Italy is one of nine EU nations in the so-called Schengen group, which has abolished most controls on immigration.

Kurd Goes on Trial in Germany

A Kurd accused of involvement in a spate of arson attacks against Turkish targets in Germany four years ago went on trial Tuesday in Celle, Germany, Reuters reported.

The 48-year-old man, identified as Faysal D., and a former spokesman of the Kurdish Workers Party, is also charged with heading a terrorist organization. One person was killed in the attacks.



A diver searching Copenhagen's harbor Tuesday for the statue's head.

Copenhagen Symbol, The Little Mermaid, Loses Head Again

The Associated Press

COPENHAGEN — The Little Mermaid was not looking awfully out to sea as usual on Tuesday — vandals had cut off the head of the statue for the second time.

The decapitation was reported before dawn by a passer-by in the harbor-side park where the statue perches on a rock. Scores of shocked Danes streamed to the park after morning news programs broadcast the story.

"It's disgusting," said Henrik Bruhn, a retiree. "It's a stupid prank, real stupid."

Federica Vianello, an Italian tourist, said: "We're stunned. She is like Copenhagen's Eiffel Tower."

The first decapitation of the statue based on the Hans Christian Andersen story was in 1964. The vandalism was investigated by the police homicide squad. No arrests were made.

Scuba divers searched the frigid harbor waters for the head and dogs combed the park for clues. The police said they were looking for two young men who were seen in the park around the time the decapitation was reported.

Copenhagen's chief architect, Otto Kaesner, told TV2 that it would be "very expensive" to replace the head but declined to give details.

For German Seminarians, Pulpits Hard to Find as Church-Tax Receipts Fall

By Edmund L. Andrews
New York Times Service

MOERFELDEN, Germany — When Gert Holle began to prepare to become a Lutheran minister more than eight years ago, he braced himself for arduous studies followed by hard work and modest pay.

But now, five months before he is supposed to take his vows, the 33-year-old seminarian faces the one prospect he did not anticipate: unemployment. For the first time in memory, the bishop here announced recently that the church has jobs for only a fraction of the 48 seminarians who will graduate in May.

So after spending years studying theology, Greek, and Latin, Mr. Holle is now cramming for a backup career in public relations. "At least in public relations you are working with people," he said glumly, as he stirred a cup of tea in his sparsely furnished apartment.

Mr. Holle's problem stems not from a crisis of faith, but rather a crisis in tax revenues. Under an unusual century-old system, religious institutions in Germany get almost all their revenue from a 9 percent church surtax imposed on the

income tax of every registered Roman Catholic, Protestant and Jew.

Taxpayers are asked to declare their religion on their income tax returns, and churchgoers are pressed to register their religion with the government. Those who are not members of the religions covered by the tax do not pay it, nor do those who have taken the bureaucratic step of revoking their registration.

Church taxes totaled about \$11 billion in 1996, almost as much as the "sin tax" on cigarettes. Germany uses the religious taxes for the salaries of priests and rabbis, the construction of churches, and a broad array of church-run social programs, from day-care centers and kindergartens to drug-counseling clinics and hospitals.

But now the church-state partnership is cracking. With 4.3 million Germans, or more than 11 percent of the work force, unemployed, and thus paying no taxes, church revenue fell about 4 percent in 1996. It may have plunged as much as 10 percent in 1997. That would represent a combined drop in revenues for all religions of more than \$1 billion.

Here in the state of Hesse, the Protestant hierarchy cut \$40 million from its

\$300 million budget in 1997 and for each of the next five years. In Saxony, in Eastern Germany, the Protestant churches are gearing up to sell or rent as many as 200 empty church buildings.

"As long as unemployment stays high, the financial situation will not get any better," said Bishop Peter Steinacker, who oversees the Protestant churches in the West German region of Hesse-Nassau.

Germany's church tax supports three main religious groups: the Evangelical Churches, an umbrella organization of Protestants that oversees the Lutheran, Reform, and United Protestant churches; Roman Catholicism; and Judaism. Protestants, most of them Lutherans, account for 45 percent of the German population, with Roman Catholics at 37 percent. Jews represent only a small percentage.

In early November, Protestant leaders in Hesse announced plans to cut 25 percent of spending on 19 programs, including psychological counseling and adult education. Pastors will be sent into retirement as soon as they turn 60. The church will also sharply reduce its extensive support for kindergartens and cut

the number of religion teachers it sends to public schools.

Over the next five years, church leaders in Hesse seek substantial cuts in the ranks of local pastors. Their numbers have kept pace through the years with the growing wealth of both Germany and its churches, swelling to about 1,800, from about 1,200 in 1970. Church officials say they want to reduce that number, probably by several hundred.

"We have tried to avoid unemployment among ministers," Bishop Steinacker said, "but there were simply too many. We couldn't anticipate the development of the economy."

Mr. Holle and many of his classmates were shocked by the news. Most of them have spent at least eight years preparing for the ministry — at a cost to the church of more than \$100,000 per person.

"They say that our training should make us good for many kinds of work," said Frank Albrecht, one of Mr. Holle's classmates. "But we are competing with all kinds of graduates in the arts and humanities, and we have a disadvantage: We're older than most of them."

Many of the seminarians are hunting

for jobs in other parts of the country. Horst Frank, another classmate of Mr. Holle's, is looking in Austria. "The problem," Mr. Holle said, "is that the kinds of work we are most suited for, such as teaching or social work, are just as difficult to find as being a minister."

Mr. Holle contends that if churches relied on direct contributions from parishioners, people would identify more closely with their churches and dig more

deeply into their pockets. But many Germans view the idea of passing a collection plate as tasteless.

High-ranking Protestant officials have begun talking openly about the need to reduce their dependence on the tax system. They are also trying to improve the image of the church. "I prefer to describe this as a time of fundamental change, rather than a crisis," Bishop Steinacker said.

Kohl Ally Holds Course

Free Democrats' Leader Calls for Party Unity

Reuters

STUTTGART, Germany — The leader of the Free Democrats, one of Chancellor Helmut Kohl's coalition partners, called on the party Tuesday to unite to ensure its political survival.

The party chairman, Wolfgang Gerhardt, told delegates at a party congress here that he would stick to his prescription of economic deregulation and tax cuts as he focused on the battle to cut unemployment in Germany, which is at a postwar high of 11.8 percent.

"Reducing unemployment is a central aim of liberal policy," he said. "We will only create momentum if we offer clear incentives to invest in Germany through fewer taxes and social charges."

Dissent within the small party — the traditional kingmaker of German politics that has been part of every government since 1969 — grew loud in the weeks before the annual congress. Prominent figures from the left wing of the party had said that the leadership was harming the party's election chances by focusing on economic issues while ignoring mat-

ters such as education and civil rights.

The party's difficulties have caused concern among the other members of Mr. Kohl's alliance as they look forward to four state elections this year as well as a general election in September, in which Mr. Kohl is seeking a fifth term. Opinion polls show that support for the Free Democratic Party is hovering dangerously close to the 5 percent level that a party must obtain to be represented in Parliament.

"From today onward, the FDP must show confidence in its stance, clarity in its aims, conviction to its causes and a willingness to fight — against our opponents and against ourselves," Mr. Gerhardt said. "The most incorrect thing the FDP could do now would be to depart from the path we've started on."

Mr. Gerhardt's rejection of a shift to the left brought an expression of relief from Mr. Kohl's Christian Democrats. "The FDP chairman has made clear that the FDP remains a reliable coalition partner," said Peter Hintze, general secretary of the Christian Democratic Union.

BLAIR: Good Prospects on Ties With EU

Continued from Page 1

rency, and he pledged last month to devote the EU presidency to getting the euro off to a good start. That means steering a succession of meetings that will culminate on May 1-3, when EU leaders are expected to select all EU countries except Britain, Denmark, Sweden and Greece to launch the currency.

Many analysts say they believe Mr. Blair is well placed to succeed. J. Paul Horne, an economist at Salomon Smith Barney in Paris, said Britain's pragmatic tradition and its nonpartisan status should help it resolve any wrangles among euro countries such as the presidency of the European Central Bank, which France is contesting. "The British bring a different culture toward European affairs which is absolutely needed," he said.

A successful presidency also could ease Britain's eventual transition into the euro zone by improving public support for the Union at home and increasing Mr. Blair's bargaining power in Europe over the terms of British entry, said Gerard Lyons, chief economist at DKB International.

A majority of Britons continues to oppose the euro and remains suspicious of the Union's growing influence over domestic affairs, but signs abound that opinion is softening.

In a political boon for Mr. Blair, 12 prominent Conservatives including former Prime Minister Edward Heath, two former foreign secretaries and a former chancellor of the Exchequer, defied the party's anti-euro leadership Monday and urged the government to work for a smooth launch of the currency and prepare Britain for entry. Meanwhile, a recent survey by the MORI polling organization found that 30 percent of Britons would vote for the euro in a referendum, up from 22 percent a year ago.

Banks and brokers in the City of London financial district, who will have to deal in euro from 1999 regardless of the government's stance, are expected to come out squarely in favor of participation. An early sign came last week when the Corporation of London, the

agency that promotes the district, said it would award its Freedom of the City honor to Helmut Kohl, the German chancellor, who more than anyone is responsible for monetary union.

Most Europeans expect Britain to join the euro-area in the next decade, but they saw a familiar hesitation in Mr. Blair's recent move to defer any decision until after Britain's next election, which does not have to be held until 2002. The government will base its decision solely on economic criteria, suggesting that Mr. Blair is uncomfortable with the essential political nature of monetary union as a vehicle for deeper integration.

"He shares one thing with the Tories," said Jonathan Eyal, a director of the Royal United Services Institute, a London think tank. "Europe is never important enough to sacrifice one vote at home."

Peter Sutherland, chairman of Goldman Sachs International and a former EU commissioner, said Mr. Blair's ability to lead in Europe would depend on his willingness to accept "a greater pooling of sovereignty" with his EU partners.

The euro aside, many Europeans are looking to Britain's presidency for leadership on issues like enlargement and employment. Mr. Cook will open membership talks with Poland, Hungary, Czech Republic, Estonia, Slovenia and Cyprus in March. While the talks are expected to take years, the British presidency will play a key role in proposing development and farm budgets, which must be cut to make way for new members.

Mr. Blair also intends to use the presidency of the Group of Eight countries, to push for more flexible labor laws and the targeting of government assistance on education and training. While sharp differences persist, particularly with France on jobs strategy, officials on both sides of the Channel agree that Mr. Blair's more cooperative approach toward Europe should make it easier to find consensus.

"It's recognized all over the EU that the British government now is trying to be constructive, trying to be positive, trying to be participative," said Doug Henderson, minister for European affairs.

BRIEFLY

Unemployment Protest Spreads in France

PARIS — Angry militants widened protests against unemployment in France on Tuesday and won support from another member of the cabinet of Prime Minister Lionel Jospin.

Demonstrators occupied six more welfare offices, bringing to 23 the number of social-service centers they have taken over to press for increased aid, the unemployment agency Assedic said. The protesters are demanding a "Christmas bonus" of 3,000 francs (\$500) and higher welfare payments.

The movement exposed further splits in Mr. Jospin's left-wing government. Marie-George Buffet, the Communist minister for youth and sports, defended the protests as "completely legitimate."

But Daniel Jospin, Mr. Jospin's minister for relations with Parliament, denied that the government was divided over the protests after several Socialist deputies declared their sympathy for the protesters.

The police have ejected protesters from two welfare offices, but have otherwise kept their distance from the occupied premises. (Reuters)

'Loyalists' in Belfast Gloomy After Talks

BELFAST — Pro-British politicians in Northern Ireland said Tuesday that they wanted urgent talks with an outlawed Protestant militia and the British government to shore up an increasingly fragile guerrilla truce in the province.

Leaders of the Ulster Democratic Party, the political wing of two "loyalist" terrorist groups, were downbeat when they emerged from three hours of talks with jailed guerrillas aimed at persuading them to drop their opposition to the peace process.

"It didn't go well," said John White, a leader of the Ulster Democratic Party, after meeting loyalist inmates at the Maze prison. "We were unable to convince the prisoners to give us their support to participate in the talks process."

A Yeltsin Appearance On Russian Television

MOSCOW — President Boris Yeltsin appeared on television Tuesday to deliver a brief speech on the Russian Orthodox Christmas, but it was not clear when the broadcast was recorded. Looking stiff and concentrating hard, Mr. Yeltsin congratulated the Orthodox Church leadership and all Russians on the holiday.

The president's press service had announced earlier that a mid-month trip to India had been postponed and, more unusually, Interfax news agency reported that he would receive no visitors before returning to work Jan. 19.

The president has not been seen in public since Dec. 31, when he delivered a New Year's address to the nation. (Reuters)

Turk Secularist Vow

ANKARA — The Turkish judge overseeing an attempt to ban the main opposition Islamic party here vowed Tuesday that his court would uphold the country's official secularist ideology.

"The constitutional court will continue its duties without giving concessions on the state principles of Atatürk, nationalism, democracy and secularism," Judge Ahmet Nezzet Sezer said after being chosen as the court's new chairman.

Mustafa Kemal Atatürk founded the Turkish Republic in 1923 from the ashes of the Ottoman Empire.

Judge Sezer will oversee the final phase of a case against the Islamic-based Welfare Party, which the state is trying to dissolve for its alleged anti-secularism. (Reuters)

Croat Prison Chief Faces War-Crimes Prosecutor

The Associated Press

THE HAGUE — Two acts of mercy may actually help convict a Croat of atrocities against Bosnian Muslim inmates at a prison he commanded in early 1993, a United Nations prosecutor said Tuesday.

Zlatko Aleksovski, on trial for war crimes, once refused to send Muslim prisoners to the front lines to die in battle trenches. Another time he told guards "not to beat prisoners too badly."

But Yugoslav war-crimes tribunal prosecutors say both gestures also underline Mr. Aleksovski's position of power, a position they contend he often abused by letting captives be beaten and killed.

Mr. Aleksovski, 37, has pleaded not guilty to three war crimes counts charging that inmates in the Kaonik prison he commanded from January 1993 to May 1993 were regularly beaten and killed, and that others prisoners were forced to dig front-line trenches or were deployed as human shields.

He faces a maximum life sentence if convicted.

The trial is expected to include testimony from dozens of witnesses, among them survivors of

the prison, near the central Bosnian town of Busovaca. Although Mr. Aleksovski is regarded by prosecutors as a small cog in a much larger Bosnian Croat terror machine, Grant Niemann, a prosecutor, urged judges not to forget the Muslims who were subjected to Mr. Aleksovski's brutal regime.

"We ask you not to lose sight of the suffering that has been inflicted upon the innocent victims of this crime," Mr. Niemann said.

Mr. Aleksovski held hundreds of Muslim civilians as Bosnian Croat forces backed by Croatia unleashed a wave of terror and killing in the central Bosnian Lasva River Valley aimed at ridding the region of all Muslims, Mr. Niemann said.

Mr. Aleksovski does not deny having been the camp's commandant but is expected to argue he did all he could to improve conditions.

Mr. Niemann said inmates were "subjected by prison guards" and the Bosnian Croat militia "to treatment which amounted to an outrage on their human dignity."

Although prosecutors acknowledge that Mr. Aleksovski did sometimes try to care for his prisoners, he more often did not and was fully aware that inmates were being mistreated, they say.

Same-Sex Couple's Marriage Makes Dutch Legal History

Reuters

AMSTERDAM — Two homosexual pensioners made Dutch legal history when they became the first same-sex couple to marry, gay rights campaigners said Tuesday.

The men, who lived together as a couple for several decades, married Monday under new laws effective Jan. 1 that extend full marriage rights except joint adoption to same-sex couples.

Their identity is being kept secret because one of the partners is terminally ill in a hospital, said Henk Krol, a gay rights spokesman. "Obviously we welcome this first homosexual marriage, but it is very sad it had to happen under such circumstances," he said.

The men anticipated the legislation by giving official notice of their intended marriage to their local authority in mid-December. It was accepted by the public prosecutor in view of the circumstances, Mr. Krol said.

In the Netherlands such notice is required at least two weeks before the civil ceremony, and the first same-sex couple — two lesbians from Amsterdam — had been slated to tie the knot Jan. 14.

"This first marriage clearly shows that for the gay community it's not the white wedding bit that counts, but the rights that come with it," Mr. Krol said.

Officially known as a "registration of partnership," the new arrangement incorporates all the rights adhering to the traditional civil marriage, barring joint adoption. One partner may adopt singly, however, while the other can apply to become the child's guardian. But moves are being planned to remove this obstacle to joint adoption.

On January 12th,
HEALTH / SCIENCE
moves to the Monday newspaper.

Herald Tribune

THE WORLD'S DAILY NEWSPAPER

Ski Crash K

Clinton Envoy Seeks Promise By Netanyahu On a Pullback

WASHINGTON — Clinton envoy ...

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INTERNATIONAL

Ski Crash Kills Sonny Bono, Singer Turned Congressman

The Associated Press
SOUTH LAKE TAHOE, California — Sonny Bono, the self-deprecating half of the Sonny and Cher duo who moved on to City Hall and then Congress as a Republican representative from California, was killed when he skied into a tree. He was 62 years old.

Mr. Bono, an avid skier, had been reported missing two hours before his body was found Monday evening off a main trail at Heavenly Ski Resort on the Nevada-California state line, some 55 miles (90 kilometers) south of Reno.

His death came less than a week after Michael Kennedy, the 39-year-old son of the late Robert Kennedy, was killed in a similar accident in Aspen, Colorado.

A Bono spokesman, Frank Cullen Jr.,

Cher's Former Partner, 62, Hits Tree Off Main Trail at Western Resort

said the California congressman was at the resort with his wife, Mary Whitaker, and their two children, 6-year-old Chiana and 9-year-old Cheshire.

Born in Detroit on Feb. 16, 1935, Salvatore Bono moved to California with his family when he was 7 and turned to songwriting after high school. He drove a meat delivery truck, squeezing in trips to record companies to drop off songs.

As a songwriter and singer, he worked with Phil Spector and the Righteous Brothers. His first hit as a writer was "Needles and Pins," which he wrote with Jack Nitzsche. It became a top 20 single for the Searchers in 1964.

But it was with Cherilyn Sarkisian, whom he married in 1964, that things took off. That same year their song "Baby Don't Go" got Sonny and Cher a contract with A&O-Atlantic.

Their first hit, "I Got You, Babe," went to No. 1 on the Billboard charts in August 1965. "Baby Don't Go" was released and got to the top 20, and other hits followed — "The Beat Goes On," "It's the Little Things," "It's a Beautiful Day" and "Laugh at Me."

Sonny and Cher turned to television, with a hit variety show, "The Sonny and Cher Comedy Hour," on CBS from 1971 to 1974.

After they were divorced in 1974,

their solo television efforts lagged, as did an attempt to revive their partnership with a new television show in 1976. Mr. Bono all but dropped out of show business, other than a few guest spots on such shows as "Fantasy Island" and "The Love Boat." Instead he went into the restaurant business in Palm Springs, California.

Angry at City Hall bureaucrats for stopping his building plans at his Italian restaurant, he plunged into politics. He was elected mayor of the resort town in 1988 and served until 1992. He claimed responsibility for erasing a \$2.5 million deficit without raising taxes and for starting a film festival.

He ran for the Senate in 1992, finishing a weak third in the Republican primary — and again became the butt of jokes.

But in 1994, Mr. Bono won the Republican primary easily in California's 44th District and rode the Republican tide with 56 percent of the votes to go to Congress. He won re-election in 1996.

"The last thing in the world I thought I would be is a U.S. congressman, given all the bobcat vests and Eskimo boots I used to wear," Mr. Bono said in an appearance at the Washington Press Club Foundation dinner shortly after he took office in January 1995.

His speaking skills made him the second-most requested attraction at House members' events during the 1996 campaign season.

Oil-for-Food Plan Gets UN Approval

UNITED NATIONS, New York — The United Nations has approved a new food distribution plan in Iraq, opening the way for a resumption of limited Iraqi oil sales, a UN spokesman said Tuesday.

The oil-for-food deal allows Baghdad to sell about \$2 billion worth of oil every six months to buy food, medicine and other humanitarian supplies to ease the effects of sanctions in force since Iraq's 1990 invasion of Kuwait.

The program, which took effect in December 1996, was renewed by the Security Council on Dec. 4 for a third six-month period. But Iraq suspended oil exports to protest delays in receiving supplies bought with the proceeds, accusing the United States of holding up the approval of contracts in the UN sanctions committee.

Baghdad said it would resume selling oil only after the United Nations had approved its new food distribution plan. (Reuters)

A Defiant Kaunda

LUSAKA, Zambia — Zambia's former president, Kenneth Kaunda, said Tuesday he would not be silenced by a "stupid law" barring him from politics.

He told supporters in a Lusaka court, where he is challenging his house arrest under state-of-emergency laws, that he would continue to defy restrictions imposed by President Frederick Chiluba last week, which include barring him from talking to news organizations.

"They can't silence me. They are too small," he told about 30 supporters in the courtroom before his hearing began. "I am going to disobey this stupid law."

Armed police tried to control about 200 noisy demonstrators outside the high court as lawyers argued with state prosecutors over amendments to their application for Mr. Kaunda's release. Witnesses said the police beat at least one of the protesters.

Mr. Kaunda, 73, was arrested on Dec. 25. The government alleged that he was involved in a failed coup attempt in October while he was out of the country. He denies the accusation. (Reuters)

For the Record

- Some of the 300 deaths in the epidemic that has swept northeastern Kenya were caused by the Rift Valley fever virus, the World Health Organization said Tuesday.
- But the UN agency said the virus, detected at the National Institute of Virology in South Africa on the basis of cultures taken from three victims, may not be the only cause of the deaths.
- First isolated in livestock on a Rift Valley farm during a disease outbreak in 1931, the virus is spread by mosquitoes and causes spontaneous abortions in ewes and cows and deaths in lambs and calves.
- Humans can be infected by contact with blood or body fluids from infected animals. (AFP)
- A search team in the mountains of western Canada recovered some of the bodies of skiers killed in one of several avalanches last weekend before poor weather halted operations Monday.
- Three avalanches Friday and Saturday in the South Columbia range of southeastern British Columbia, buried back-country skiers and snowmobilers.
- Searchers on Monday retrieved the bodies of four skiers out of a group of six buried in snow in Klokane Glacier Park, north of Nelson, British Columbia. (Reuters)

Clinton Envoy Seeks Promise By Netanyahu On a Pullback

JERUSALEM — The U.S. Middle East envoy on Tuesday sought both a promise from Israel to withdraw troops from a large part of the West Bank and a pledge from the Palestinians to fight Islamic militants.

The envoy, Dennis Ross, is laying the groundwork for President Bill Clinton's meetings with Prime Minister Benjamin Netanyahu of Israel on Jan. 20 and Yasser Arafat, the Palestinian leader, on Jan. 22.

"These visits are not isolated events," Mr. Netanyahu said at the start of his meeting with Mr. Ross. "They are part of a chain of activities the U.S., along with Israel and the Palestinian Authority, seek in advancing the peace process."

The United States is reported to expect Mr. Netanyahu to present Mr. Clinton with concrete plans for a pullout, adding at least 10 percent of the West Bank to the 27 percent where Palestinians now have autonomy.

But Mr. Netanyahu could be hobbled by his enormous political problems.

Foreign Minister David Levy, the cabinet's leading supporter of peace, resigned Sunday and Mr. Netanyahu's fractious coalition, which includes both opponents and proponents of peace, now rests on a minimal majority of 61 out of 120 members.

Mr. Netanyahu's senior adviser said Tuesday that the prime minister was prepared to go ahead with a troop pullback, but only if the Palestinians lived up to promises to rein in Islamic militants, confiscate illegal weapons and reduce their security force.

The adviser, David Bar-Ilan, said the cabinet would decide on the scope of the pullback in the next two weeks.

Three pullbacks are called for in accords between Israel and the Palestinians. Mr. Netanyahu reluctantly embraced the undertaking last January, when he withdrew from most of Hebron and committed his government to carry out the West Bank withdrawals by mid-1998.

Mr. Ross will also try to get a sense of how much Mr. Netanyahu is being constrained by the latest cabinet crisis when it comes to deciding on a pullback.

The American envoy scheduled a meeting with Mr. Arafat in the West Bank town of Bethlehem. The chief Palestinian negotiator, Saeb Erekat, said that Mr. Arafat would insist that Israel go ahead with the troop pullback as promised.

"We also want a guarantee that the Israeli prime minister will not use the resignation of David Levy" to appease hard-liners, Mr. Erekat said.

Mr. Netanyahu's rightist flank appears strengthened in the short term by Mr. Levy's resignation, which took effect Tuesday. The post was assumed by Mr. Netanyahu.

Transport Minister Yitzhak Levy of the hard-line National Religious Party said his 10-seat faction would stop supporting the government if Mr. Netanyahu offered the Palestinians "a double-digit pullout."

Police Minister Avigdor Kahalani, on the other hand, warned that his four-seat Third Way Party would end its support if Mr. Netanyahu did not carry out a significant pullback.

Either defection would bring down the government.

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Palestinians Lodge Protest With CBS

New York Times Service
NEW YORK — Protesters at a report that appeared on the news program "60 Minutes" a month ago, the Palestinian Authority told CBS News on Monday that CBS would "no longer be given unrestricted access to either our officials or government or the territories under our control."

The announcement was made by Bassam Abu Sharif, special adviser to Yasser Arafat, in a two-page letter sent to Don Hewitt, executive producer of "60 Minutes," and in a brief press release.

Precisely what restriction the Palestinian Authority might impose on CBS was unclear.

A spokeswoman for CBS News, Sandy Genellus, said its executives had received the letter and were "exploring the issues with the Palestinians and Mr. Abu Sharif."

In his letter, Mr. Abu Sharif said "60 Minutes" producers had failed to follow up information provided by the Palestinian Authority about the supposed complicity of Israeli officials in monopolies controlling the sale of certain goods in parts of the West Bank under Palestinian control.



EASTERN CHRISTMAS — A Palestinian boy in a Santa outfit riding on a Christian Arab's shoulders during a procession Tuesday in Bethlehem. The Eastern Orthodox Church celebrates Christ's birth Jan. 6.

Mexico Judge Frees 5 Tied to U.S. Death

By Mary Beth Sheridan
Los Angeles Times

MEXICO CITY — In a ruling that stunned U.S. officials, a local judge has freed a man who reportedly admitted to the killing of an American businessman here. The judge called the accused a "modern Robin Hood" who stole money to give to others.

The decision, which also freed four other suspects, also outraged Mexican officials, who are under pressure to respond to a dramatic crime wave in the capital that appears to be claiming more American victims. Diplomats and analysts have warned that crime in Mexico is becoming so severe that it could discourage foreign investment and even threaten Mexico's emerging democracy.

The Dec. 15 slaying of Peter John Zarate, an American real-estate executive, had prompted the U.S. government to upgrade its warning about crime aimed at U.S. visitors. The killing occurred at about the time two other American businessmen were kidnapped and held for several days — one in Tijuana, one in Acapulco.

U.S. Embassy officials in Mexico City said in a statement that the release of the men was "deeply disturbing to us." They added that they were seeking an official explanation of the judge's action.

Mr. Zarate, 40, a broker with the New York-based real estate firm Cushman & Wakefield, was traveling in a taxi last month when the vehicle was intercepted by a rogue cab. Two men then boarded his taxi, tried to rob him and fatally shot him when he resisted, prosecutors said.

The case caused a furor, and

Cuanthemoc Cardenas, the capital's first opposition mayor, responded with a vow to protect visitors to the city. Five suspects were arrested Dec. 30. They confessed to Mr. Zarate's killing and to 50 other assaults, prosecutors said.

But at midnight Friday, Judge Maria Claudia Campuzano freed the five suspects, the prosecutor's office said. According to prosecutors, the judge described the accused gunman as "a modern Robin Hood who doesn't only rob and distribute what he obtains in the robbery, but also gives all the money to his sidekicks without any profit for himself."

She said that the five suspects' confessions differed so much that their guilt was unclear.

U.S. Envoy to Mexico Is Picked

By Al Kamen
Washington Post Service

WASHINGTON — The Clinton administration, after months of searching and internal wrangling, has apparently picked the veteran diplomat Jeffrey Davidow, assistant secretary of state for Latin America, to be ambassador to Mexico, according to senior administration officials.

Mr. Davidow, who has been ambassador to Venezuela and before that to Zambia, should easily obtain Senate confirmation, officials said. They noted that he was confirmed for his current job in 1996.

Sources said an "action memo" sent Mr. Davidow's name on it had been sent to President Bill Clinton and was awaiting his approval so the critical ambassadorship could be filled. The post has been vacant since former Representative Jim Jones of Oklahoma left in June.

Mr. Clinton's first choice was William Weld, the former governor of Massachusetts, whose nomination was announced in July 1997.

Though a fellow Republican, Mr. Weld was strongly opposed by Senator Jesse Helms of North Carolina, chairman of the Foreign Relations Committee. Mr. Helms blocked a Senate vote by refusing to hold a committee hearing on the nomination.

If he is nominated by the president and confirmed by the Senate, Mr. Davidow, would be arriving in Mexico to confront an increasingly volatile political situation and the possibility of renewed violence.

"Judges are obliged to respect the law," she said. "I know judges' decisions don't leave everyone satisfied."

Victor Antonio Carranca, an assistant Mexico City prosecutor, said the authorities would seek new evidence against the men and investigate why they were set free. "We can't expect that when five suspects participate in a violent act and admit it, confessing and assigning responsibility to the other participants, that the five declarations are going to be exactly the same," he said.

Since the arrest of the suspects, several other victims have identified them as their attackers, Mr. Carranca said. Five other investigations have been launched into their acts, he said.

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A boy peeking through a phalanx of armed men in Daira de Ramika.

\$50 Million Home Sale Sets U.S. Record

Los Angeles Times

LOS ANGELES — The highest price ever paid for a private home in the United States was recorded this week in Nevada with the \$50 million sale of Thunderbird Lodge, the largest private estate at Lake Tahoe, which straddles the Nevada-California border in the Sierra Nevada mountains.

The previous U.S. record was \$47.5 million, paid by the multimedia mogul David Geffen for the Jack Warner estate in Beverly Hills in 1990.

What is thought to be the world's most expensive home sale took place in May when a prominent Hong Kong family sold its property on Victoria Peak for \$94.17 million.

The Tahoe property was sold by Jack Dreyfus, 84, founder of the Dreyfus Fund and a Wall Street brokerage, to the Del Webb Corp., the developer of the Sun City communities. Del Webb intends to exchange the land with the federal Bureau of Land Management for property in the southwest corner of the Las Vegas Valley as a site for a third Sun City development.

ALGERIA: Regime Angry Rejects Offers of International Aid

Continued from Page 1

Only de Gaulle, the hero of the World War II Resistance, was able to head them off, by taking power and proclaiming the Fifth Republic in 1958. But four years later, he bowed to the inevitable, and Algeria won its independence.

Nearly 2 million *pieds noirs*, descendants of French settlers in Algeria, fled to France, as did about 700,000 Algerians who worked for them.

Today there are about 5 million Muslims in France, most of them from North Africa. They are relegated to ugly urban slums surrounding Paris and other cities, angry pockets of poverty where members of the fundamentalist Armed Islamic Group — thought to be responsible for some of the worst violence in Algeria — recruited disillusioned youths in 1995 and 1996.

The authorities contend that the group terrorized the nation in those years with bombings of subway stations that killed a dozen people and wounded hundreds, with the aim of pressuring Paris to cut off relations with the Algerian regime.

French anti-riot police still patrol the Paris Metro today because of those bombings, but the killings in Algeria have only escalated.

"I'd like to see the first country that will send its military there," the Belgian foreign minister, Erik Derycke, said Tuesday.

The French government's statement Monday condemned the massacres of 412 people at the start of the Muslim holy month of Ramadan last week as "acts of barbaric savagery," but carefully avoided pinning them on Islamic

fundamentalists: "The French authorities, in the most absolute manner, condemn these terrorist crimes, which have no justification, especially a religious one," the statement said.

"They recall the legitimate right of the Algerian population to be protected. The duty of any government is to allow its citizens to live in peace and security."

Calling on President Liamine Zerroual to continue political changes that produced multiparty legislative elections last year, even though the outlawed Islamic parties remained banned, the statement continued. "It is essential that this process should lead rapidly to authentic democratization that would allow the integration into political life of all forces desiring to put an end to the violence and

participating in the reconstruction of a peaceful Algeria."

The Algerian authorities, who have rebuffed all attempts to negotiate a reconciliation with the Islamic movement, reacted with indignation.

"The French authorities have no right to remind the Algerian government of its duties, and it is out of place that they suggest solutions while Algeria is carrying out its own approach to end the crisis," the Foreign Ministry said Tuesday.

Six years ago, the Islamic Salvation Front, seeking to create a state based on Islamic law, was on the brink of winning democratic elections when the government canceled the final round of voting. Guerrillas have been fighting the government ever since, and thousands of people have been killed.

MASSACRES: Surge Reported in Algeria

Continued from Page 1

sacres have taken place within sight of military barracks.

Algerians have learned to dread Ramadan, a time of peace and piety for most Muslims, who demonstrate their fealty through fasting and prayer. In past years, the militants have stepped up their attacks during Ramadan, and the holy month this year is proving to be no exception.

"Every Ramadan is like this in Algeria," said an Algerian academic who follows the militant groups, speaking by phone from Algiers. "For them, Ramadan is the month of jihad," or holy war, "because in the history of Islam all the conquests happened in Ramadan."

But the militants appear to have changed their tactics in recent weeks. Until now, they have concentrated their activity on the fertile farm belt south of the capital. But after several particularly shocking massacres in August and September, the government stepped up military operations to flush militants from the area, achieving some success.

Many of the latest attacks have occurred in areas of western Algeria that had been relatively calm.

While the shift suggests that the militants are under pressure from Algerian authorities, it also indicates that they still retain the capability to move arms and men around the country with relative ease, analysts said.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Let's Look at the System

"The prevailing system of international lending is fundamentally flawed." Those are not the words of left-wing or right-wing critics of the International Monetary Fund — of whom there are plenty these days, in the U.S. Congress and elsewhere — but of the financier George Soros, who understands the system at least well enough to have made billions from it. In an article he published in the *Financial Times* last week, Mr. Soros argues for radical reform of a system in place since World War II.

The proximate cause of his proposal is the financial crisis sweeping through East and Southeast Asia, which, despite the best efforts of the IMF and other international firemen, shows little sign of abating.

The point here is not to bash the IMF, a multilateral lending institution that is called in only after conditions already have become desperate. Almost by definition, it faces no easy choices, and failure on its part could lead to a global financial meltdown on a scale that has never been seen. So any criticisms should be lodged with a sober understanding of the potential calamities that have thus far been avoided, both this time around and in previous crises involving Latin America.

Yet what has taken place thus far is sobering enough, and certainly should stimulate a vigorous, open debate about what works and does not work in the current setup — both in terms of resolving crises and, even more, in terms of avoiding them. Start, in Asia's case, with how private banks happily flooded Asia with loans right up to the moment trouble began to appear.

Figures released on Monday by the Swiss-based Bank for International Settlements show that U.S., French and other bank lending surged to South Korea, Thailand, Indonesia and other nations now being described as pitiful cases with hopeless financial institutions. What were the banks' research departments saying six months ago? Nor did the IMF, or ratings agencies such as Moody's and Standard & Poor's, provide any warnings; all were issuing glowing reports right up until the last. These statistics provide some underpinning to Mr. Soros's warning: "The private sector is ill-suited to allocate international credit. It provides either too little or too much."

Peace Politics in Israel

Prime Minister Benjamin Netanyahu easily survived a budget vote on Monday and predicted that his government could stay in power through the year 2000. But the resignation of Foreign Minister David Levy on Sunday was a damaging blow, to Mr. Netanyahu and to American peace diplomacy. With the loss of Mr. Levy, the Israeli cabinet's leading dove, and the five parliamentary votes he controls, Mr. Netanyahu's margin for political survival has become even more precarious, and more dependent on right-wing and religious parties, than it has been for the past 19 crisis-prone months.

The immediate question is whether Mr. Netanyahu can win cabinet approval for a new West Bank withdrawal plan before he meets with President Bill Clinton in Washington on Jan. 20. The new plan, already overdue under the Oslo peace agreements, should significantly increase the 27 percent of West Bank territory now under full or partial Palestinian control. If the current ruling coalition cannot accept such a step, early elections may be the best course for Israel. Mr. Netanyahu may be tempted to call them himself if he thinks he can capitalize on the negotiating impasse with the Palestinians to broaden his parliamentary majority.

Mr. Levy resigned over alleged shabby treatment of his Moroccan Jewish constituents in Israel's new budget. But he had been pushed to the brink by what he considered Mr. Netanyahu's inadequate response to American pleas for a big enough West Bank withdrawal to restart the stalled peace talks.

Whatever withdrawal plan Mr. Netanyahu now comes up with must survive scrutiny by a cabinet even less inclined to compromise than the one that nearly blocked Israel's troop withdrawal in the West Bank city of Hebron last year. Mr. Netanyahu must show leadership in the face of this discouraging cabinet arithmetic.

His session with Mr. Clinton this month, followed two days later by a

Other Comment

Listening to Khatami

President Mohammad Khatami has agreed to be interviewed by Cable News Network this week, giving him the chance to open what he has termed a "thoughtful dialogue" with "the great people and nation of America." U.S. policymakers who watch developments in Iran are eager to see how he might give substance to that idea.

His interview will be scrutinized with the same care once given to pronouncements by Soviet leaders during the icest days of the Cold War. The United States should follow up on any offer or hint of friendlier ties, but it should keep its expectations in check, and — recalling the humiliating failure suffered by the Reagan administration when it sought to exploit perceived "moderate" tendencies within Iran's ruling circles — it should remember how little the outside world really knows about the mysteries, intrigues and pitfalls of Iranian politics.

— Los Angeles Times

Play the Iran Card and Make Saddam Unhappy

By Thomas L. Friedman

WASHINGTON — Saddam Hussein must be feeling pretty cocky right now. Yes, he has learned all the lessons from Gulf War I. Don't make yourself an easy target. Cooperate with UN inspectors just enough so that the United States can't bomb you, but not enough so that they will ever find the germ weapons you are making in your palaces. It is a strategy that has the White House tied in knots.

If Saddam is going to play smart, it is time the United States did, too — with a strategy that would rattle Saddam's cage and shake up the entire Middle East chessboard. It is a strategy that can be summed up in one word: Iran.

Saddam may not be afraid of America anymore, but he is still terrified of Tehran. Iran fought an eight-year war with Iraq, killed a million Iraqis, and still has not signed a peace treaty. A million Iraqis also lost their lives in that war. If you drive around Tehran you will notice that most of the posters are not denouncing the United States but extolling Iran's veterans of the war against Saddam.

Iran is not going to restart that war for America's sake, but any Iranian-

U.S. rapprochement would seriously unnerve Saddam. It would strengthen Iran economically, tip the balance of power against Iraq and leave Saddam isolated as the only bad boy in the region. Given his own vengeful nature, he would assume that a strengthened Iran would soon come back after him.

If Washington is not going to play military hardball, it should at least play diplomatic hardball. It is time for President Bill Clinton to stop exchanging pleasantries with the moderate new Iranian president, Mohammad Khatami, and open a real dialogue.

I suspect that the United States has already asked Swiss intermediaries to explore with Iran how to open talks. If Washington has not yet done so, it probably will after Mr. Khatami appears on CNN on Wednesday. He asked for the interview so that he could directly address the American people.

Mr. Khatami has called for a "thoughtful dialogue" with America, has eased tensions with pro-U.S. Arab regimes, has blocked Syrian efforts to

isolate Qatar for hosting an economic conference attended by Israel, and has derailed Iraq's attempt to get the recent Islamic conference in Tehran to call for a lifting of sanctions on Baghdad.

Still, forging a U.S.-Iranian rapprochement would not be easy. The United States must demand that Iran halt terrorism against Israel, pro-U.S. Arabs and Iranian dissidents, and tone down its opposition to Arab-Israeli peace talks. Iran would demand billions of dollars it says it is owed by the United States for weapons that Iran paid for but were never delivered because of the toppling of the shah in 1979.

Tehran would also demand an easing of U.S. restrictions on investment in Iran, and recognition of Iran's role in any future Gulf security arrangements.

In Washington, Congress would have to give its approval, and on the Iranian side Mr. Khatami would have to overcome supporters of Iran's spiritual guide, Ayatollah Ali Khamenei, who still thrive on hatred of America.

"The Iranian leadership can't quite make up its mind — they want both rapprochement with the United States and to retain the reputation of the lead-

ing revolutionary Islamic state in the region," said Shaul Bakhash, a top Iran expert from George Mason University. "They have not come to the realization yet that to get one thing they will have to give up the other."

But if it could happen, think of the benefits: Saddam would be further isolated, and Syria's President Hafez Assad would be, too.

Mr. Assad had been hoping to assemble a Syria-Iraq-Iran axis against Turkey and Israel. He used his relationship with an isolated Iran to expropriate all sorts of goodies from the Arabs and the United States. His favorite line was, "I'll talk to the Iranians for you, but what's in it for me?"

Well, if the United States and the Gulf Arabs have their own dialogue with Iran, the answer can be "Nothing." Also, even the slightest diminution of Iranian support for Hamas or Hezbollah would be a huge loss for the United States.

The Clinton team could even add some spice by giving Israel a green light to explore its own rapprochement with Iran.

The New York Times

How Washington Can Help East Asians Ride the Storm

By Robert B. Zoellick

WASHINGTON — America's president, once the

governor of a small state, presided over an era of great prosperity. But as international events triggered tensions over currencies, debt problems, social disorder and political breakdowns across the ocean, the president relied on bankers in the public service to arrange new loans and reschedulings.

In the absence of presidential leadership, Congress (especially the president's own party) denied global anxieties by retreating to the false bastion of protectionism.

By the time Calvin Coolidge turned over the presidency to his earnest successor, Herbert Hoover, America was ill-prepared for economic shocks, insensitive to international economic implications and oblivious to the political and security calamities that would follow.

The Clinton administration's response to the financial turmoil in East Asia has been to rely solely on the Treasury's transactions skills for crisis management. The president, who preached both foreign policy as geopolitics and the importance of Asia, has been strangely silent about the larger implications of recent events.

He has not explained his strategy for guiding the future. And the secretary of state, who wanted to teach the public why foreign policy matters, has taken a leave of absence from the course on Asian political economy.

Congress has signaled that when it returns it is likely to paint

a picture of U.S. policy that contrasts sharply with the administration's paucity of action. The Democrats in the House already have blocked the president's authority to negotiate more open trade, hardly an encouraging sign for other countries buffeted by globalization, and the president still has not indicated whether he will try again.

Some congressional Republicans are grumbling about authorizing billions of dollars more for the IMF and the Treasury to use in foreign bailouts. Democrats and Republicans alike will respond to political fears as Asian imports pour in and America's trade deficit surges to new levels.

The president needs to move quickly to shape events in East Asia and, equally important, to frame the debate in Congress and for the public. Bill Clinton should explain what is at stake in East Asia, his strategy, and how individual U.S. actions fit his plans.

In particular, he needs to act, not react, on four problems that could deepen the trouble.

• The United States should tell all Asians that any move to devalue currencies further to make local exports more competitive will trigger another, even more dangerous round of capital flight. So far, only Taiwan appears to have taken such a step for competitive reasons. But eyes are now turning to China, which devalued its currency in 1994, and which may now be weighing another

move to "catch up" with its neighboring competitors.

• If China devalues again, in troubling parallel with international economic impulses of the 1930s, there will be a collapse of the fragile Asian financial stability upon which longer-term policies must build.

Rather than wait for events, the United States should organize a regional consensus in the Asia-Pacific Economic Cooperation forum that all Asians, especially China, should not renege the currency fires.

• The United States should mobilize Europeans and Asians to press Japan to stimulate growth through domestic demand, especially by cutting taxes. If Japan tries to grow by once again relying on exports, the U.S.-Japanese trade deficit will explode, and struggling East Asian economies will have a harder time selling in Japan for economic reasons and in America for political ones.

• This same U.S.-led coalition should point to Japan's failure to clean up its banks' bad loan problem as a credit stranglehold on the region's growth. If Japan expects to be a regional or even global force for good, its politicians and public must face up to the fact that the region cannot recover as long as this specter of bad credit frightens potential funders, borrowers and buyers.

The United States has a rare opportunity to organize support inside and outside Japan to overwhelm the stubborn resistance of the Ministry of Finance bureaucrats who have repeatedly held Japan to a narrow course of parochial interest.

• The United States should work closely with China to defuse another economic time bomb: the bad debts of China's state-owned enterprises, piling up year after year and now totaling a shocking 25 percent of China's whole economy.

The solution that unties this knot will need to reconnect related strands: a clean banking system, financing to isolate and eventually retire bad debts, and a program for China's accession to the World Trade Organization that phases in effective competition and fair opportunities for foreign investment.

With these four initiatives, the president could explain to Congress that the IMF and Treasury financial packages support a larger strategy. The Treasury's purpose would not be to bail out private investors, fund IMF policies that threaten growth or threaten American workers with a revived Asian mercantilism. To the contrary, the region-wide restructuring plan should enable the United States to challenge Asian practices that have thwarted American exports and investment.

For that reason, the president should seek again the trade negotiating authority he can use precisely at this moment both to demonstrate America's continuing commitment to global competition and to open Asian markets in exchange for much less adjustment on the part of the United States.

The president should emphasize that this economic strategy advances and complements America's political and security interests. Asia remains vital economically, in transition politically and uncertain in its security. If the United States leads adroitly, it can transform events to longer-term advantage.

For example, the economic events of 1997 offer the opportunity to open up the politics of countries that have relied on crony capitalism and on leaders who have clung to power.

Today's troubles could compel South Korea to make economic changes that over time will enhance its capabilities to help reform North Korea's economy. Current conditions might also supply a face-saving basis for the North to approach talks with the South on humanitarian links, military dangers and possible reunification.

Finally, now that the region has released that large growth figures must be earned, not just assumed in projections, the climate is ripe for China and the United States to focus on their common interests: promoting market reforms in China and responsible security coopera-

tion in the region, recognizing America's supportive and stabilizing presence.

If Mr. Clinton opportunistic shapes events in East Asia to serve his strategic ends, he can pass on to his successors a strong foundation. If he just waits for the next Asian event, reacts tactically and abdicates the strategic definition to the contending factions in Congress, he will join Mr. Coolidge in the pantheon of passive might-have-beens.

The writer, an undersecretary of state and White House deputy chief of staff in the Bush administration, contributed this to *The Washington Post*.

Bailout Flaws

IT IS NOT South Korea that Ippeckes the bailout money, but the large multinational financial institutions that get paid back. They presumably lent this money in the expectation of making a profit. Their job was to make sure of the creditworthiness of the people they lent to. They could have insisted that the accounting standards of their customers be cleaned up. They didn't, and lost.

When lenders are burned on bad loans, they become much more cautious the next time. What happens if there is no bailout? Unable to get their money, the creditors take possession of the companies that their loans financed and look for a new owner. The new buyers are not necessarily part of the same bankrupt crony system; they are the ones who will pay the highest price. They may be American entrepreneurs or Koreans who have been on the outside in the past.

If the creditors can't get all their money back, they will take the loss and be forced to be much more cautious the next time. In some cases these losses may be quite large, and the regulators of these banks may be forced to take some remedial action (although these same regulators let their wards get overextended in the first place).

This route is far preferable to a bailout; both the South Korean and the world economies will be much better off. In South Korea, there will be much more competition and a greater focus on the bottom line.

New credit will flow to the new owners much more easily than it would ever flow to the old deadbeats. All the "conditions" supposedly negotiated by the IMF will be forced on South Korea by the market.

— Lawrence B. Lindsay, a former governor of the Federal Reserve, commenting in *The New York Times*.

A Coming Asian Tiger in India?

By James Manor

NEW DELHI — It will be some time before meaningful predictions on the outcome of India's general election in February-March can be attempted. But already it is clear that one historic decision will be made at the polls.

The voters of Andhra Pradesh are being asked to abandon the old politics of lavish giveaways and instant gratification. The chief minister, Chandrababu Naidu, is calling for short-term sacrifices to turn Andhra Pradesh into an Asian tiger over the next 20 years.

Nothing quite like this has happened before, and the voters' response will significantly influence how and how fast India develops over the next generation.

Nearly all Indian parties try to compensate for weak organization by offering handouts and subsidies. Once elected, most politicians spend heavily on these pledges, which prevents investment in long-term development. Some leaders have taken hesitant steps to curtail giveaways. They will be watching the outcome in Andhra Pradesh closely.

If Mr. Naidu's party, a constituent of India's governing United Front, increases its share of seats in Parliament in New Delhi, or suffers only minimal losses, it will show that leaders can take a long-term view without paying a heavy price. If he takes a beating, others are likely to cling to their timid, populist ways.

Mr. Naidu's approach would be risky in any of India's 25 states, but in Andhra Pradesh it is a breathtaking gamble. Under the leadership of his film star father-in-law, Mr. Naidu's regional Telugu Desam Party made lavish giveaways into a theatrical art form. Now — after ousting the old man, who then passed away — Mr. Naidu has swung the party round in a 180-degree change of course.

To find the resources for an ambitious long-term development plan, he has raised his fares and the charges that voters pay for water. He has partially lifted prohibition, which his father-in-law imposed to appeal to women voters but which cost the government huge liquor tax revenues. He has cut subsidies on electricity and, surprisingly, on rice, a staple for the poor.

His party won the 1995 state election largely on the promise of continuing to subsidize rice at two rupees (5 U.S. cents) a kilogram. As an alternative to the old politics, Mr. Naidu proposes to deliver enhanced infrastructure, plus basic and high technology. He hopes that this will attract large-scale private investment to generate rapid industrial growth.

His main emphasis is on information technology, which he thinks can provide not just new jobs and wealth but also what he calls SMART governance. The capital letters stand

for Simple, Moral, Accountable, Responsive and Transparent government. He couples this with promises of greater popular participation and visionary leadership.

All this has won Mr. Naidu praise from World Bank President James Wolfensohn, Fortune magazine, the World Economic Forum in Geneva, Microsoft's Bill Gates and other international business leaders. The World Bank is to lend Andhra Pradesh \$2 billion, or one-third of its total aid allocation for India.

The trouble is that Mr. Naidu's target date for tigerhood is the year 2020. Two decades is an eternity to voters steeped in pork-barrel politics and accustomed to asking politicians "What have you done for me lately?"

What Mr. Naidu has done is to provide a more disciplined, effective administration. He has begun building infrastructure that disperses and collects ideas through electronic kiosks across the state, which has a population of 72 million. Citizens will soon be able to register their views in "social audits" on the performance of government programs.

The approaching elections are convenient for Mr. Naidu, in that he can test his new approach without risking the fall of his state government. He has a solid majority in the state legislature. Even if he fares badly, he would have a further two years to change course in the hope of retaining control of Andhra Pradesh.

The election may come too soon. Little time has elapsed for his new initiatives to make much impact. Even if they work out well, it is not clear that voters will prefer this sort of government to the handouts and theatrics of the past.

If Mr. Naidu does well, it may owe more to unbridled factionalism in the Congress Party, which is the only serious opposition in his state. But even if that explains the result, it will be seen by other politicians as a green light for greater fiscal discipline and the pursuit of difficult, long-term development plans.

About half of India's voters are illiterate, but they have had enough experience of democracy to deliver discerning verdicts at the polls. They often single out corrupt, ineffective parties and leaders for humiliating defeats.

They have never been asked to make such a stark choice between short-term largesse, which Mr. Naidu's Congress opponents are loudly offering, and the promise of a developmental surge over the next two decades. Their decision in Andhra Pradesh may be far more important for India's future than the overall national result.

The writer, a fellow of the Institute of Development Studies at the University of Sussex in England, contributed this comment to the *International Herald Tribune*.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Congo Vagaries

PARIS — The *Figaro*, a propos of the reports respecting the Marchand Expedition, says that the French colony of the Upper Congo has been organized and is administered in a manner contrary to commonsense. Its colonial editor, M. Jean Hess, says: "Unless the existing system is changed from top to bottom — so long as the vagaries of the old administration are carried on — we shall have at Loango, Brazzaville, Bangui, Tamboura and Fashoda a ruinous possession."

1923: French Protest

PARIS — Thousands of French shopkeepers, artisans and professional men closed shop for two hours yesterday [Jan. 6] to protest the government's new tax program. More than 30,000 Parisians showed their displeasure by crowding into a meeting

at the indoor sports arena, the Velodrome d'Hiver. Thousands more stood in the rain outside and listened to the speeches through amplifiers. Louis Dervigne, president of the National Federation of Artisans, summed up his solution for France's ills saying they required nothing short of "a complete housecleaning, a clean sweep."

1948: Tzar's Jewels

NEW YORK — New York continues to thrill with the story that the Tzar's jewels, valued at \$4,000,000, are buried in Cypress Hills naval cemetery, Brooklyn. The story has been given a tinge of reality by the fact that Federal agents are investigating the story and plan a secret hunt for the jewels. Lieutenant Anthony Bushman, superintendent of the burial grounds, flatly refused to point out the exact spot, however, declaring that orders forbade it.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
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Editor for Asia: Michael Richardson, 5 Convent Road, Singapore 11900. Tel: (65) 472-7768. Fax: (65) 274-2334.
Ming Pao, Hong Kong, 50 Gloucester Rd., Hong Kong. Tel: 852-2922-1188. Fax: 852-2922-1190.
Gen. Mgr. Germany: T. S. Meyer, Friedrichstr. 15, 10117 Berlin. Tel: +49 30 9071290. Fax: +49 30 907129030.
Pres. U.S.A. Am. Bankers, 160 Third Ave., New York, N.Y. 10022. Tel: (212) 732-8890. Fax: (212) 732-8785.
U.K. Advertising Office: 63 Long Acre, London WC2E 9LT. Tel: (171) 836-4802. Fax: (171) 240-2254.
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OPINION/LETTERS

Life, Not Politics, Matters in America

By James K. Glassman

WASHINGTON — Americans are happy, really happy. Unfortunately, happiness bothers professional hand-wringers.

What really bothers these hand-wringers is that Americans, according to the Pew Research Center for Politics and the Press, are "less attentive to the news than at any time in recent years." But is that really so terrible?

John Adams, America's second president, wrote in a letter to his wife, Abigail, in 1780: "I must study politics and war, that my sons may have liberty to study mathematics and philosophy. My sons ought to study mathematics and philosophy... in order to give their children a right to study painting, poetry, music, architecture, statuary, tapestry, and porcelain."

We Americans have reached an era in which we can turn our attention away from politics and war and toward art, in the broadest and best sense of the word, which includes not just porcelain but philanthropy, aesthetics, religion and family.

As the century draws to a close, we seem to be witnessing the death

cent say they are "highly contented" with their lives today — nine points higher than at any time since the survey began in 1964. And just 22 percent rank their happiness quotient as low.

Meanwhile, the public's interest in politics and public policy has plummeted. Last month, for example, a gay white Republican named David Catania won an at-large council seat in Washington with just 10,221 votes. Only 7 percent of registered voters cast a ballot.

For the second straight year, reports Pew, not one domestic policy story made the annual list of the top 10 news stories, which was headed by the death of Princess Diana.

Since 1986, the stories that drew the most attention of the public have been, in order: the explosion of the Challenger, the 1989 San Francisco earthquake, the Rodney King verdict and riots, the TWA crash off the coast of New York and the "little girl in Texas who was rescued after falling into a well" in 1987.

The top domestic political story in that time was the 1996 presidential election, which came in 24th — well behind the 1990 increase in the price of gasoline.

Americans are not much interested in what the government is doing as long as it stays as unobtrusive as possible. Big ideas, such as nationalized health care and (I am sad to admit) comprehensive tax reform, cannot gain traction. So politicians are left with little ideas, of which Bill Clinton is the master: better meat inspection, repairing school roofs.

Still, we should be alert to mischief. There is certainly a danger that, pushed out of the action, government will try to reassert itself, to prove it is still important. Hey, over here, look at me! That is what may be happening in the prosecution of Microsoft and in Mr. Clinton's move to extend Medicare to people under 65.

But, in general, the fact that government is becoming background noise — elevator music — is a very good thing.

Still, the hand-wringers will ask whether, left to their own devices, Americans will do the right thing. Of course they will. A lot of them, for instance, are helping others. Last year donations to charity reached \$130 billion, up 9.5 percent in two years, and half of all

donors make less than \$50,000 annually. Philanthropy will surely be one of the growth industries of the 21st century.

Another growth industry can be called widening one's horizons — through travel, adult education and simply reading, listening to music and looking at pictures. It is happening. On a Christmas trip to New York, I was struck by the enthusiastic crowds at the exhibit of Richard Diebenkorn's beautiful, sane and rhythmic paintings at the Whitney Museum.

This is exactly what John Adams meant when he said that he was willing to study politics and war so that his grandchildren could study poetry and porcelain. Yes, there is still poverty and ignorance and pathology. But, more than ever, Americans are fruitfully pursuing happiness, the way the Declaration of Independence intended.

For that, we have John Adams, Abe Lincoln, Franklin Roosevelt, Ronald Reagan and, yes, Bill Clinton to thank. To our great benefit, they have made politics less important and the art of living more so.

The writer, a fellow at the American Enterprise Institute, contributed this column to The Washington Post.



Let's Drop the Jargon Of Efficient Mourning

By Ellen Goodman

BOSTON — I don't remember when the words first began to echo in the hollow aftermath of loss. But now it seems that every public or private death, every moment of mourning is followed by a call for "healing," a cry for "closure."

Last month, driving home just 24 hours after three Kentucky students were shot to death in a school prayer meeting, I heard a

sampling of raw grief. Laura Kennedy, whose son was killed in the 1995 explosion, said: "I have an emptiness inside of me that's there all the time."

By the second day, however, the cameras had turned away, the microphones had turned a deaf ear, as if they had heard enough keening. Again, observers asked what affect a life-or-death sentence would have on, of course, "healing" and "closure."

I do not mean to suggest that the people who testified were "typical" mourners or that the Oklahoma bombing was a "typical" way of death. I mean to suggest that grief is always atypical — as individual as the death and the mourner.

The American way of dealing with it, however, has turned grieving into a set process with rules, stages and, of course, deadlines. We have, in essence, tried to make a science of grief, to tuck messy emotions under neat clinical labels — like "survivor guilt" or "detachment."

Sometimes we confuse sadness with depression, replace comfort with Prozac. We expect, maybe insist upon, an end to grief.

But in real lives, grief is a train that doesn't run on anyone else's schedule. Jimmie Holland, at New York's Sloan-Kettering Hospital, has studied the subject and knows that "normal grief may often be an ongoing lifelong process." Indeed, she says that the expectation of healing "becomes an added burden."

"We create a sense of failure," she said. "We hear people say, 'I can't seem to reach closure. I'm not doing it fast enough.'"

Surely it is our own anxiety in the presence of pain, our own fear of loss and death, that makes us wish away another's grief or hide our own. But in every life, losses will accumulate like stones in a backpack.

So whatever our national passion for emotional efficiency, for quality-time parents and one-minute managers, there simply are no one-minute mourners. Hearts heal faster from surgery than from loss. And when the center of someone's life has been blown out like the core of a building, is it any wonder it takes so long even to find a door to close?

The Boston Globe

MEANWHILE

minister talk about "healing." The teenagers had yet to be buried, and he said it was time to begin the healing process, as if there were an antibiotic to be applied at the first sign of pain among the survivors.

Weeks later, at a Christmas party, a man offered up a worried sigh about a widowed mutual friend. "It's been two years," he said, "and she still hasn't achieved closure." The words pegged her as an underachiever who had failed the required course in Mourning 201, who would not graduate with her grief class.

This vocabulary of "healing" and "closure" has spread across the postmortem landscape like a nail across my blackboard. It comes with an intonation of sympathy but an accent of impatience.

It suggests, after all, that death is something to be dealt with, that loss is something to get over — according to a prescribed emotional timetable.

It happened again when the Terry Nichols verdict came down. No sooner had the mixed counts of guilty and innocent been announced than the usually jargon-free newscaster Peter Jennings asked how it would help the "healing" for Oklahoma City.

The implicit expectation, even demand, was that the survivors of 168 deaths would traverse a similar emotional terrain and come to the finish line at the same designated time. Was two and a half years too long to mourn a child blown up in a building?

It was the families themselves that set us straight with responses as personal and diverse as one young mother who said, "It's time to move on," and another who said of her heart: "Sometimes I feel like it's bleeding."

In the Nichols sentencing trial last week, we got another rare

for EU membership. Given its past experience with the EU, Turkey can hardly be expected to set much stock on assurances given at the Luxembourg summit meeting last month.

This is the culmination of a road that began with Greek accession to the European Union. A poorly thought-out enlargement in 1981 has produced steadily widening political conflicts and tensions.

Instead of trying to pretend that these come from the shortcomings of Turkey, the EU should face the facts and try to find a remedy for them. Until it does so, I think that the political relationship between Turkey and the EU will be very difficult indeed and perhaps for a long time to come.

The ball is in the European Union's court, not ours. It is now up to the EU to find a viable way forward.

ÖZDEM SANBERK, London.

The writer is the Turkish ambassador to Britain.

LETTERS TO THE EDITOR

Turkish Response

Regarding "Turkey Overreacts, but the EU Is Not Blameless" (Opinion, Dec. 20):

The article makes some good points but misses several aspects of Turkey's position. Turkey has not "overreacted." It has simply signaled that it has been unfairly treated by the European Union over a long period of time and is no longer going to accept this and pretend the situation is normal.

During the last 16 years there has been a progressive deterioration in Turkey-EU relations, mainly caused by the Greek veto. All financial cooperation has been blocked by Greece. The EU has slipped from a position of neutrality to one where its position on many Greek-Turkish issues is essentially that of Greece.

When Greece joined the EU, we in Turkey were made to understand that this would not be allowed to block our own progress toward membership. That has been almost completely forgotten.

The EU has broken almost all its promises to Turkey over the years: on migration of labor, on financial cooperation, on impartiality on issues concerning Greece and Turkey.

Finally, the EU has begun admission procedures for Greek Cyprus. It is obvious how the accession of an "autonomous province of Greece" as a full member would affect Turkey.

Earlier this year, seeing the way things were going, Turkey told the EU that unless it was placed "in the same basket" as the other front-line applicants by the end of the year, the EU-Turkey relationship would be gravely affected. This did not have the slightest impact on EU policies.

The accession of Greek Cyprus to the EU would not only be a breach of international treaties but would also have incalculable consequences for the balance of strategy and security in the whole of the eastern Mediterranean.

Turkey now must wait somewhere behind Romania and Latvia

BOOKS

THE FINAL ACT:

The Roads to Waterloo

By Gregor Dallas. 544 pages. \$35. Henry Holt.

Reviewed by Edwin M. Yoder Jr.

BY early 1814, Napoleon had redrawn the map of Europe, spreading across it such tincture of revolutionary ideas as suited his egotistical purposes. In that process an estimated one million French soldiers had died, but Napoleon had also managed to erect a number of satellite states and kingdoms to be ruled by himself, his brothers or his stepson. Finally, after several allied coalitions had failed to depose him, he met his match at a muddy crossroads south of Brussels and was shipped off for good to an isolated South Atlantic island.

The magnates of the old regime, already forgerheads in Vienna, proceeded to patch up the boundaries he had violated (with minor and sometimes self-serving adjustments) and restored Europe's "legitimate" rulers, including the house of Bourbon in France. Europe lived happily — at least until 1914.

This story has been told and retold for a century and a half, notably by Harold Nicolson in *The Congress of Vienna* (1946), a work of incomparable urbanity and diplomatic penetration. Gregor Dallas retells it at length, in a book of striking strengths and blemishes. *The Final Act* offers impressive testimony, however, that good narrative history demands the delicate balance of a photoengraving, whose intelligible patterns when too greatly magnified dissolve into a scattering of random-seeming dots. In the first half of this book, the dots more than once steal the show.

Dallas is a connoisseur of tempting color and detail. Thus, if Napoleon's first place of exile is Elba we must pause to be told all about its mines and minerals. If Joseph Fouché, sometime chief of Napoleon's police, is important, we must be told that by the time he died his frame was so bent by arthritis that he had to be buried in a sitting position. If Talleyrand formulated the idea of legitimacy, the ruling doctrine of the Congress of Vienna, very well, "there is plenty of room for speculation over what was actually the

cause of Talleyrand's limp" (Polio, probably).

This fascination with minor detail makes the first half of the book read at times like a labored bleed of history and an 1814 gossip column, with excessive stress on tales of the ballroom and boudoir. What is often missing is a clear sense of the larger patterns — of what had happened in the 18 years of Napoleon's ascendancy to bring Europe to this pass of 1814-15.

What, exactly, were the milestones on "the roads to Waterloo" of Dallas's subtitle? Dallas finally puts away the paintbrush at about page 257, and his book springs to life when, even as the Congress of Vienna is deliberating on the future of Europe, word comes that the irresistible Napoleon has slipped his keepers on Elba and is on his way to France for what history will know as his Hundred Days.

FINALLY! We follow the brazen Bony as he marches northward through France, rekindling imperial loyalties and gathering about him an armed host with which he plans to drive a wedge between the allied forces commanded by Wellington on the right and Blücher on the left. The end, though it was not clear at first that it was the end, comes with the defeat at Waterloo and the diplomatic aftermath in Vienna.

After a lethargic start, *"The Final Act"* reaches its own quiet readable final act, well researched and at times vividly written. Dallas, as befits a connoisseur of historical gossip, is good at personality sketches and brings many of the chief players to life. With so brilliant a cast and so overwhelming a tide of events, it is

perhaps too much to expect any author to achieve a serene balance between narrative patterns and a sort of pointillist assemblage of anecdotal dots and sketches, characters and caricatures.

Yet the essence of the story emerges through the muck of detail. Waterloo was indeed one of the so-called turning points of history, not only for the old world but for the new. It gave Europe at least the illusion of peace and stability.

And there is an intriguing might-have-been: Napoleon hoped for exile in the United States, where for all one knows he might have ended up as a Whig cotton planter and senator from Louisiana or South Carolina.

The final act of Dallas's title is a play upon the 121-article "final act" of the Congress of Vienna, designed to shape the European peace for generations. As Dallas suggests, it was a signal accomplishment. But while Napoleon might be banished to St. Helena and slow arsenic poisoning (by some speculations at least), it was too late to bottle up the legacy of liberal nationalism he had exemplified in his own eccentric way. He had once said to one of his brothers that after a season under the Bonapartes, Europe would never return happily to the ways of the old regime. He was right, though it would be some years before that was clear. The final act at Vienna was far from final.

Edwin M. Yoder Jr., a professor of journalism and humanities at Washington and Lee University and the author of *"The Historical Present: Uses and Abuses of the Past,"* wrote this for *The Washington Post*.

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BEST SELLERS

The New York Times		
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.		
FICTION		
Book	Author	Weeks on list
1 COLD MOUNTAIN, by Charles Frazier		1 26
2 THE GHOST, by Danielle Steel		2 7
3 CAT & MOUSE, by James Patterson		3 7
4 THE WINNER, by David Baldacci		4 6
5 THE LETTER, by Richard Paul Evans		4 10
6 THE CHRISTMAS BOX, by Richard Paul Evans		8 27
7 A CERTAIN JUSTICE, by P.D. James		5 4
8 THE GOD OF SMALL THINGS, by Arundhati Roy		12 21
9 VIOLEN, by Anne Rice		11 10
10 COMANCHE MOON, by Larry McMurtry		10 8
11 WOODSON BOY, by Garrison Keillor		9 6
12 ANOTHER CITY, NOT MY OWN, by Dominick Dunne		7 6
13 MEMOIRS OF A GESSIA, by Arthur Gold		16 7
14 THE MATARESE COUNTDOWN, by Robert Ludlum		13 10
15 SURVIVAL OF THE FITTEST, by Jonathan Kellerman		14 6
NONFICTION		
1 MENDICANT IN THE GARDEN OF GOOD AND EVIL, by John Berendt		1 181
2 ANGELS AND DEMONS, by Frank McCourt		2 68
3 THE PERFECT STORM, by Sebastian Junger		4 30
4 INTO THIN AIR, by Jon Krakauer		7 35
5 THE MAN WHO LISTENS TO HORSES, by Monty Roberts		3 20
6 CITIZEN SOLDIERS, by Stephen E. Ambrose		5 7
7 THE DARK SIDE OF CAMELOT, by Seymour M. Hersh		6 6
8 DIRTY DREAMS AND BEER, by Drew Carey		9 13
9 TUESDAYS WITH MORRIE, by Mitch Albom		8 11
10 DIANA: Her True Story in Her Own Words, by Andrew Morton		11 11
11 SOURCES OF STRENGTH, by Jimmy Carter		10 4
12 CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch		13 35
13 THE MILLIKENS NEXT DOOR, by Thomas J. Stanley and William D. Danko		12 30
14 WAIT TILL NEXT YEAR, by Desi Barnes (Goodwin)		14 9
15 TALKING TO HEAVEN, by James Van Praagh		1 1
ADVICE, HOW-TO AND MISCELLANEOUS		
1 JOY OF COOKING, by Irma S. Rombauer, Marion Rombauer Becker and Ethan Becker		1 6
2 SIMPLE ABUNDANCE, by Sarah Ban Breathnach		2 91
3 MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray		220
4 MAKING FACES, by Kevin Acosta		3 7

'Cheerful Char' Finds Work With the Band

By Mike Zwerin
International Herald Tribune

BERLIN — Annie Whitehead grew up in Oldham, a small town she describes as "ravaged" in Lancashire, England. An area of pits, mills and collieries, every works had its brass band and instruments and lessons were available in every school.

As a little girl, for some reason, she wanted to play the tuba. They gave her a little tuba called Tubby. No! It was a euphonium. At the age of 15, she switched to the trombone when she grew big enough to be able to reach the seventh position. Already she knew she wanted to make music when she grew up.

She wrote a letter to Ivy Benson, who led an all-female orchestra, asking for a job. The Benson band was well known. There were five brass, five reeds, rhythm, singers and strings and they played stock arrangements like Glenn Miller's "Little Brown Jug" in cabarets, casinos and resort hotels.

The band had been particularly popular during the war. According to Whitehead, the ambience was "something like the Ivy Benson Academy for young ladies." By coincidence, Benson worked in Oldham shortly after the letter was received and an on-the-job audition was arranged.

Telling her story, Whitehead is bubbling with excitement after performing with two British bands during the recent Berlin Jazz Festival. She does not take for granted the fact that she is a woman who has been fortunate enough to be able to do pretty much what she wants to do with her life.

My whole family came for the audition. They had six tables. Aunts, uncles, all the kids, granddad, grandma — everybody was there to give me moral support. It was fantastic.

The audition went well enough, but she was still only 15 and it would be a year before she was able to join the orchestra. Benson, who was strict and

work-oriented, became her guardian. They worked in Germany and Switzerland during the winters, British seaside resorts in the summertime, and on the island of Jersey in between. It could be seven nights a week, six hours a night.

"Ivy was very strong," Whitehead recalls. "She kept a big band working 35-40 years. Her dad helped her. He was a great character, he died in his 80s picking up the girls' wages from the bank. Ivy died a few years ago at about the same age. She was married three times and none of them worked out. In those days, men did not accept strong women. Anyway, in reality, she was married to the band."

"It was quite a life. Sometimes we'd finish at 12 and the girls would go out dancing and drinking. We'd play for strict tempo dancing; women would come out in their chiffon gowns, the men in their suits. They'd be doing quick steps, fox-trots and waltzes. Something about the English seaside fascinates me. There's a sort of deprecit pathos thing. They can be kind of lurid."

In any case, it was an "education," and it could get "complicated." Whitehead admits she's "hotheaded." So after two years she decided to stay on in Jersey and quit.

She worked behind a bar, and she took orders and balanced heavy trays. Living off the tips, she learned how to be "nice and quick." All the solos in the Benson band had been written out and so she had no idea what improvisation entailed. Jazz had never much interested her. But most of the people she knew on the island were musicians and they invited her to jam with them.

Herbie Hancock's "Headhunters" had just been released and there was "all that modal stuff" going on. She was "terrified" to take a solo. On Jersey, it was a "sort of hippie scene," laid back, quite cheap, easy living. To help support herself while she concentrated on practicing her horn, she put an ad in the paper. "Cheerful char needs work."

Cheerful chars were in demand —



Trombonist Annie Whitehead at the Berlin Jazz Festival.

there were loads of replies. With plenty of time to practice, she memorized solos by Stan Getz and Roswell Rudd and others. Rudd is a modernist with gut-bucket roots. She'd never heard anybody play the instrument from "such an emotional place." Being "high-strung," she recognized that place. She thought: "I can do that."

SHE does not lack confidence. Her parents had been supportive. It never occurred to her that she could not do something just because she was a woman. She joined a London horn section called Kick Horns that backed Elvis Costello, the Spice Girls and others, and she was also part of a band of free spirits called The Brotherhood of Breath led by the South African exile Chris McGregor.

Rehearsing a new arrangement one day, all of a sudden, McGregor said: "Annie, you start it." She looked at her part — nothing was written. "What do you mean 'start it'?" she asked. "Just be yourself," McGregor advised. She took the part home and practiced holding her horn in front of the mirror. "Now!" she'd exclaim to her reflection at "unexpected" times.

These days, she's a member of the Penguin Café Orchestra, a cult band that features "all kinds of music rolled into one." A while ago, the Penguins sold out Royal Festival Hall, which, they were told, had not happened in a long time. She is also the leader of several formations under own name, including The Annie Whitehead Experience.

Leading such a busy professional life made it extremely impractical for her to leave London after her parents were knocked down by a car in Oldham. They had been crossing a road at the end of a working day. Both of her father's legs were broken, he was in plaster up to his thighs, and her mother lost a leg.

Whitehead canceled all her work and went up to Oldham and helped them for eight months. "Their accident absolutely stopped me in my tracks," she recalls. "The experience taught me to take nothing for granted. That day had started like any other day. You know, you get up and brush, your teeth and drink a cup of tea. They had both been so active. They had jobs and they did community work too. Now that they're better, I'm so glad I did that for them; for so many reasons. It made me feel very, very lucky."

A Hypnotic 'View' in the Season of Miller

By Vincent Canby
New York Times Service

NEW YORK — The person in the box office may tell you that "A View From the Bridge" has a playing time of 2 hours and 15 minutes, but pay no attention. It seems to be no more than 45 minutes, which would include the 15-minute intermission, the only thing about this revival of the Arthur Miller classic that drags.

Such is the hypnotic effect of the Roundabout Theatre Company production, now at the Criterion Center Stage Right. You take your seat one minute and suddenly you're walking out into the white lights of nighttime Times Square, aware only that you have had the kind of visceral theatrical experience you probably thought you had outgrown.

This is definitely the season of Arthur Miller. The Signature Theatre Company, which has already presented his "American Clock," continues its tribute to his work with a program of two short plays, "The Last Yankee" and "I Can't Remember Anything" (now in previews, they open Sunday). Meanwhile, the Roundabout is reminding us of his awesome, ever-surprising talents with its revival of "A View From the Bridge."

The production, directed by Michael Mayer, stars Anthony LaPaglia in one of the most complex roles in the Miller canon: Eddie Carbone, the decent, hard-working Italian-American longshoreman whose obsessive but unacknowledged love for his wife's teenage niece, Catherine, called Katie, destroys him and the lives of everyone around him.

Eddie is working class, unsophisticated. He talks in the syntax of Red Hook, the Brooklyn neighborhood where he lives in neat, threadbare order with his wife, Bea, and Katie. He was shaped by the Old World but knows only the New. He is also a man whose sense of moral responsibility is so implacable that to acknowledge such an "incestuous" passion is unthinkable.



Janney, left, Murphy and LaPaglia in Miller's "A View From the Bridge."

As written by Miller and played here by LaPaglia, Eddie may be as close as the skeptical contemporary American theater will ever get to a classic tragic hero. Eddie towers over Willie Loman of "Death of a Salesman." Willie is passive, a victim of his times and America's ephemeral promise of success; the bull-headed Eddie aggressively invades his doom and pursues it with a desperation that only increases as an awful self-awareness becomes inevitable. He's a big, robust, magnificent character.

"A View From the Bridge" is not usually mentioned when talk turns to the "great" Miller plays. "Death of a Salesman" and "The Crucible" are the favorites, though "The Price" seems to be gaining stature with hindsight.

For someone who, like me, has managed to get through all these years without seeing "A View From the Bridge" in any of its earlier stage incarnations, or as adapted by Leo Rosten for Sidney Lumet's 1962 film version, this production is a revelation. It prompts

something of the emotional response one is supposed to feel — but seldom does — when seeing "King Lear" or "Oedipus Rex."

Is it cathartic in the Aristotelian sense? I'm not sure I know what that means anymore. Yet when you leave the theater after witnessing Eddie's downfall, you simultaneously feel a kind of hard, unsentimental pity for the man and the exhilaration that comes after seeing a drama unfold with such terrible certainty and invigorating theatricality.

"A View From the Bridge" has an interesting provenance, having begun life as a one-act produced in New York in 1955 on a bill with another short Miller play, "A Memory of Two Mondays." The author then rewrote it as a two-act piece that, directed by Peter Brook, opened successfully in London in 1956. A 1965 Off-Broadway production of this text, starring Robert Duvall, ran for 780 performances. Since then, there have been other revivals, most notably, according to those who saw it, one starring

Michael Gambon in London in 1987.

Because "A View From the Bridge" so obviously speaks to contemporary audiences, why is it seldom mentioned in the same breath with "Death of a Salesman" and "The Crucible"? One possible reason is that it has an uncharacteristically simple, strong, well-defined narrative line that doesn't immediately invite associations to larger social and political concerns, which, however, are integral to the fabric of the play.

When "The Crucible" was first produced in 1953, its story of the Salem witch trials could be clearly seen as Miller's consideration of the hysteria surrounding Senator Joseph McCarthy's anti-Communist crusade. "A View From the Bridge" is fueled by the same events, particularly by the actions of those who became informers, sometimes because of conscience but often to save their necks.

Eddie Carbone is a man of honor in all other ways. Yet he informs on the two illegal immigrants he has been hiding — his wife's distant cousins from Sicily — to prevent Katie's marriage to a young man he deems "is not right," which is Eddie's genteel way of saying homosexual. He is, of course, wrong.

UNLIKE "The Crucible," there are few if any lines in "A View From the Bridge" that could be lifted whole from the play and applied to Washington, circa 1955. Its drama is organic. Everything that is said or done grows directly out of an explosive domestic situation, which is as specific as it is timeless. There is not a superfluous line or gesture in the entire work.

You won't quickly forget LaPaglia's Eddie Carbone, a large, seething disaster of a man, fighting a nature he will not comprehend. He is like a newly domesticated animal: awkward, gentle, crude, affectionate and dangerously unpredictable. LaPaglia is superb.

Allison Janney is splendid as Beatrice, a loving, patient woman of backbone who looks on helplessly but not quietly as her husband heads into the darkness. Also exceptional is Brittany Murphy, a film actress making her Broadway debut as Katie, another beautifully written Miller character. Though innocent, Katie isn't dim. She adores Eddie, even as she comes to understand him. Gabriel Olds is Rodolpho, the irrepressibly optimistic young illegal immigrant (or "submarine") Katie falls for, and Adam Trese is Marco, Rodolpho's older brother. Both are very good indeed.

Stephen Spinella, the Tony Award winner for "Angels in America," is an accomplished actor uncomfortably cast as Alfieri. He is the philosophizing Red Hook lawyer who moves through the play like Miller's conscience, both as a Greek chorus that directly addresses the audience and as a character. Spinella seems both too young and out of place in Red Hook, where he was supposedly born and bred.

Mayer's production moves with speed in and around David Gallo's unit set: a central playing area circumscribed by three sets of tiered steps, which evoke the shape of an ancient amphitheater, all backed by a scrim suggesting the community and the waterfront beyond.

It's no longer fashionable to deal directly with the emotions as well as with ideas. Miller again shows us that contemporary plays can still move, disturb, provoke and even shock. "A View From the Bridge" demonstrates how pleasurable that can be.

Coming Home: The Grateful Dead Master Plan Keeps Legend Alive

By Neil Strauss
New York Times Service

NOVATO, California — If the red-brick warehouse in this Marin County town were open to the public, it would be a haven for one-stop shoppers. Its endless shelves are lined with everything from toothbrushes to golf balls, dog collars to stamps, skis to motorcycle parts, baby rompers to electric lanterns.

But this is not a supermarket. It is the headquarters of Grateful Dead Merchandising, where the golf balls are dyed and the dog collars are emblazoned with the head of Jerry Garcia. A thousand packages of Grateful Dead items are shipped from this warehouse each day, bringing in an annual gross of \$50 million to \$60 million.

But much more than the sale of memorabilia is involved here. There is a Grateful Dead master plan. Most of the revenue coming in is being earmarked for an enormous project, perhaps the biggest undertaking ever attempted by a single band.

It is called Terrapin Station, to be built in San Francisco, a \$60 million museum, amusement park, gathering place, concert hall, research center and possibly even a hotel for Grateful Dead fans who have lost their way since the band broke up after Garcia, its leader, died two and a half years ago.

"There's a way to keep this band going, even without Jerry. God bless him," said Dennis McNally, the band's press agent for 14 years. "Instead of dying, the Grateful Dead is morphing."

Rock 'n' roll is a 50-year-old beast, and its founders and early innovators are beginning to die off. With its pioneering musicians and bands gone, rock 'n' roll is becoming a museum piece.

Two years ago, the Rock and Roll Hall of Fame opened in Cleveland. And Paul Allen, co-founder of Microsoft, is in the process of developing a \$60 million Experience Music Project rock museum in Seattle.

But Terrapin Station, named after a 1977 Grateful Dead album, promises to be a different type of tourist attraction altogether.

If kids traveled all over the country following the band when they toured, I'm sure they'll all go to San Francisco to see the museum," said Bob Grossweiner, the senior editor of the concert industry magazine Performance. "It will bring a lot of money into the economy, and it's very possible that Terrapin Station will outdraw the Rock and Roll Hall of Fame, because it's in a bigger city, and some people are going to be spending weeks there instead of just a day. Hopefully, they'll have smoke alarms in the bedrooms and the staircases."

In its 30-year existence, the Grateful Dead was transformed from a band into a cult, attracting and retaining a more loyal, obsessive and dedicated following — the Deadheads — than any other rock group. Its tours were among the

highest grossing, regularly earning some \$50 million in a good year. But when the band broke up in 1995, it left tens of thousands of fans with nowhere to go, no band worthy of following so slavishly around the country.

One of the roles of Terrapin Station will be as a kind of shrine and meeting place for Deadheads. Its builders expect, in their most conservative estimates, that Terrapin Station will attract 1.2 million people in its first year.

Though a site has not yet been chosen, the band is considering two San Francisco locations and expects to close a deal by the end of the month.

Phil Lesh, the Grateful Dead's bassist, said the idea germinated in the late '60s when the band dreamed about becoming what he called "a rock 'n' roll satellite" that would stay in one place and broadcast concerts around the world.

"The relationship between the band and the Deadheads needs to be nurtured because they are us, and we are them," Lesh said. "We've been talking about Terrapin Station more seriously for the last five years, but the touring overhead and the number of employees we had were so great that we couldn't think of a way to generate enough time and energy to let alone money."

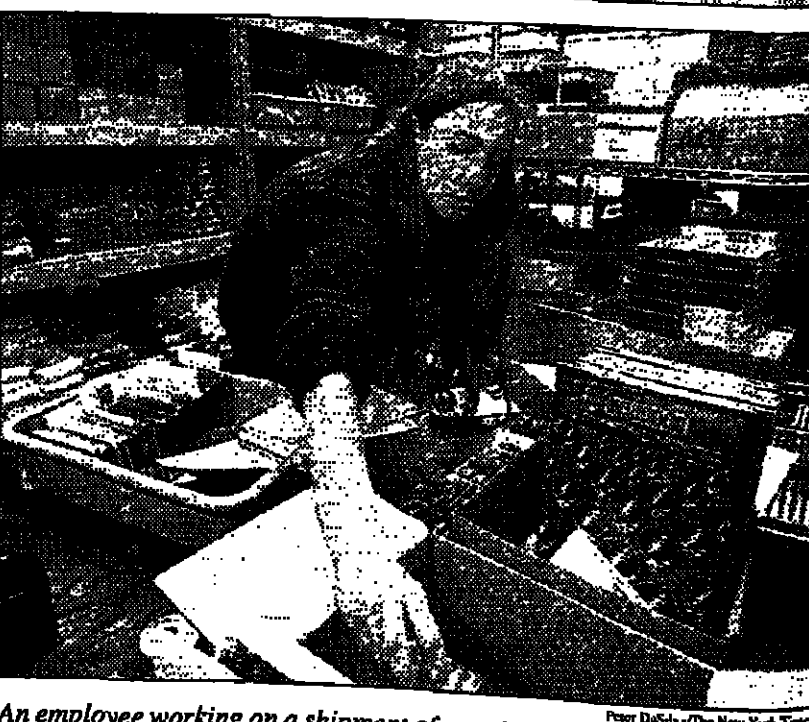
With Jerry's death, everything changed. We are no longer a viable touring operation. We couldn't even support our entire staff. To make a smooth transition, we had to fall back on merchandising our music archives, and that became the cash cow for the whole organization."

"But we didn't want to just put out old live concerts until the material and interest dwindled away," he said. "We wanted to create a place that would be a presentation of what we did musically and culturally, and a place where people could gather, and new music could be showcased, and a nonprofit organization for music groups in the Bay Area could be developed."

THE entrance to the 65,000-square-foot (6,000-square-meter) Terrapin Station, which Lesh said he hoped would be open by New Year's Eve 1999 for a reunion of surviving Grateful Dead members, will be a parking lot, a recreation of the place outside concert halls where Deadheads used to meet and sell food and crafts.

Inside, there will be a 1,000-seat auditorium for concerts by Bay Area bands and by members of the Dead, most of whom have formed their own groups: rotating exhibitions on the Bay Area music scene since the '60s, world music and chapters in Grateful Dead history, and a store full of band merchandise.

Plans also call for a roomful of percussion instruments for spontaneous drum circles and jam sessions; a multimedia theater that will re-create the experience of Grateful Dead concerts, and a restaurant tentatively called the Dancing Bear Café.



An employee working on a shipment of merchandise, including pictures of Jerry Garcia, from the Grateful Dead warehouse in California.

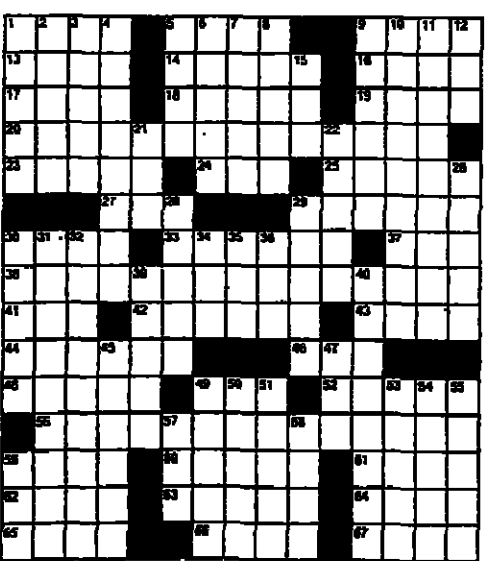
CROSSWORD

ACROSS

- 1 "High Hopes" lyricist
- 5 — Romeo
- 9 Pull oneself up to the bar
- 13 Melange
- 14 Microsoft chief, to some
- 16 "Darling, Je Vous —" Beau coup
- 17 Answers, for short
- 18 Peet Dickinson
- 19 Dirty Harry's employer. Abbr.
- 20 1729 Jonathan Swift pamphlet, with "A"
- 23 Old enough to
- 24 know better?
- 26 Pork place?
- 28 Cramer's brother
- 32 Highly rated
- 34 Begin again
- 36 Cosby series
- 38 Without whiskers
- 39 Key or Kennedy
- 40 1985 Gary Lewis and the Playboys hit
- 41 "2001" mainframe
- 42 Fluster
- 43 Chip for a pot
- 44 Crater Lake locale
- 45 Oki — Kenobi

DOWN

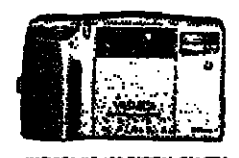
- 11 Popular women's mag
- 12 Reserved
- 13 Brom — (comic witch)
- 14 Posies
- 15 Help at a heist
- 16 Process saltily
- 17 Play at love
- 18 Brass or bronze
- 19 Black current liquor
- 20 Ramous
- 21 Carry out
- 22 Ennui, to Enrique
- 23 Hat for Barry Bonds
- 24 Fall guy
- 25 1992 Paula Abdul hit, with Steven Wonder on harmonica
- 26 Listen and obey
- 27 Take the honey and run
- 28 Driver's selection
- 29 Suffix with bachelor
- 30 Comparatively cagey
- 31 Collate
- 32 Like show horses
- 33 Cold capital
- 34 Artist Paul
- 35 Stephen Foster's "Old Uncle"
- 36 Bilk, say
- 37 Melville setting
- 38 Erect
- 39 Bulrush, e.g.
- 40 Live some flu
- 41 Ask for more time?
- 42 "Some Like It Hot"
- 43 Offer some to
- 44 Entered en masse
- 45 This may be over your head
- 46 Tbsp. or tsp.
- 47 Radio setting: Abbr.
- 48 Covet, with "over"
- 49 Throw caution to the wind
- 50 Like some lites
- 51 Shower time: Abbr.
- 52 Rich kid in "Nancy"
- 53 Encourages, with "up"
- 54 Push forward
- 55 Its capital is Innsbruck
- 56 Chocolate marshmallow snack
- 57 Flicker on the roof
- 58 Matchmaker
- 59 Hoped-for response to 56-Across
- 60 Dynamic start
- 61 Enigma, por 59



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Solution to Puzzle of Jan. 6

CAAN GATRIE JIBS
ALDO ATRIA TALE
RODSEWING ARIA
ONE XMAS BELIAN
BERATIS CALIA
LAPEL MANET BRO
AMOS SAKER COLE
WDS DUKES CORES
PITVIPER MOP
MIKER PARAPET
TRADER TURF AMI
HOSE STICKUPMAN
UFTO PENCE ALOS
GEES YASIRA DALE



IMF's Remedy for Asia: Whose Fault if It Fails?

Blame Abounds as Currencies Fall to New Lows

By Paul Blustein
and Sandra Sugawara
Washington Post Service

Asia's financial crisis has taken another turn for the worse this week as the currencies of several countries have fallen to new lows, defying predictions by the Clinton administration and the International Monetary Fund that international rescue packages would restore confidence in the region's troubled economies.

Although South Korea's stock market got a boost from positive comments by the financier George Soros, the mounting tide of bad news elsewhere in Asia spawned unease among economists about whether the IMF's remedies for the region are working.

"I still think the basic IMF strategy is correct," said C. Fred Bergsten, director of the Institute for International Economics. But, he said, "it hasn't worked."

U.S. administration officials, meanwhile, suggested that the real problem was that the ailing countries — Indonesia in particular — were not fulfilling pledges to restructure their economies.

In Thailand, which was the first to suffer a wave of selling by investors last summer, officials said they would seek to ease some of the terms of the nation's IMF bailout because economic conditions were worse than either they or the Fund had anticipated. The Thai prime minister, Chuan Leekpai, was quoted in a Japanese newspaper as saying he would ask creditor banks to extend repayment terms on short-term loans to Thai companies.

The IMF told the authorities in Bangkok and Jakarta that they would have to drive interest rates sharply higher to stop a huge flight of capital. The argument was that although higher rates would be very painful in the short run to businesses and individuals that borrow money, they were necessary to provide attractive yields on investments so investors would pour money back into the afflicted countries.

But with Asian currencies plunging new depths, IMF critics are claiming

vindication for their argument that the Fund foolishly applied the same austerity-minded policies in Asia that it had used more sensibly in Latin America and other regions in the past.

"It's shocking that \$100 billion later, market confidence couldn't be established in countries that had all the reason for market confidence to begin with, because they were well managed," said Jeffrey Sachs, a Harvard economics professor. "The fund turned a dangerous situation into a calamitous situation, by very publicly and ostentatiously closing banks, raising interest rates, tightening credit, and signaling to anyone who didn't see it before that these economies would go into free fall."

Countries such as Thailand and Indonesia are now caught in an "incredibly vicious cycle," Mr. Sachs added, in which the IMF's austerity policies push companies into bankruptcy, and money flows out all the more quickly — pushing the currency lower and worsening the country's plight even more.

But defenders of the IMF approach said that a number of unforeseen factors have been pushing Southeast Asian currencies down.

The Indonesian rupiah, for example, which has plunged about 20 percent so far this week, has been battered because of worries about the health of the country's longtime ruler, President Suharto, and the possibility that a succession battle could spark bloody conflict. And when the currency in one Southeast Asian country falls, its neighbors' currencies tend to be affected because their products compete on world markets.

Another factor cited by the IMF's advocates is that Indonesia has not followed through as much as the Fund's program called for in allowing market forces to operate in credit markets and the banking sector. Indeed, a court last week blocked the closure of an ailing bank owned by Mr. Suharto's half brother.

A senior U.S. Treasury official hinted that the administration shared this diagnosis of the problem, saying, "The focus at this point has to be on Indonesia taking the policy actions to which it has already agreed with the IMF."



Traders talking to clients at a brokerage in Taiwan as the currency fell.

Pressure on Currency Pushes Rates in Hong Kong Higher

By Philip Segal
Special to the Herald Tribune

HONG KONG — Following weeks of relative calm in the eye of Asia's currency storm, interest rates here shot up Tuesday amid worries about the threat of renewed speculative attacks against the Hong Kong dollar.

The local dollar, pegged to the U.S. dollar since 1983, is East Asia's last fully convertible currency with a rigidly fixed exchange rate. The sharply higher interest rates Tuesday, evidence that the currency is under pressure, also served as a reminder that a stable currency brings with it a potentially severe price: steeper borrowing costs, lower property prices and, if these trends continue, a shakier banking sector.

"My view is still pretty dark at this point," said Thomas Monaco, analyst at Bear Stearns. Most banks in Hong Kong are lending at rates lower than what it costs banks to borrow, he said.

The benchmark three-month Interbank Offered Rate finished at 11 percent, up from 10.125 percent Monday and 8.875 percent as recently as Friday. Hong Kong's prime lending rate re-

mains at 9.5 percent, but there has been widespread speculation that this will eventually rise if the local dollar remains under pressure.

Across the Taiwan Strait, Taiwan's dollar was battered, reaching a 10-year low against the U.S. dollar as currencies across the region plunged.

The Taiwan dollar has been under pressure for months, largely in response to the plunge in the South Korean won. Taiwan and South Korea compete in a range of industries, from semiconductors to chemicals, and the precipitous fall this year of the won has led Taiwan authorities to allow their currency to weaken, in an effort to remain competitive.

A weaker Taiwan dollar exerts a different kind of pressure on Hong Kong, which will likely have to compete with Taiwan as a cargo shipment point to China if the mainland and Taiwan establish direct shipping links.

Investors also fled the Hong Kong stock market, afraid that the higher interest rates would better company earnings. The benchmark Hang Seng index fell 1.63 percent.

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Budget for Indonesia Raises Spending 32%

Some Analysts Fault Plan as Too Lax

Compiled by Our Staff From Dispatches

JAKARTA — President Suharto unveiled a budget plan Tuesday designed to steer Indonesia out of its worst economic crisis in decades, but analysts expressed concern that the plan, which calls for an increase in spending, would further erode confidence in the economy.

The budget, which by law must be balanced, will increase overall spending by 32 percent, in part because the decline of the rupiah will increase both revenue and spending. An expected drop in corporate taxes and the retention of a fuel subsidy that has grown more costly with the decline of the rupiah will be more than offset by the higher rupiah value of foreign aid and oil sales, which are denominated in U.S. dollars, the government said.

Some analysts said Indonesia had backed off from a pledge to the International Monetary Fund to run a budget surplus by failing to take enough austerity measures.

"I can't see how this will be well received," said Seema Desai, a regional economist at Schroders Securities in Singapore. "The market was hoping to use the budget as a measure of their willingness to make tough decisions and comply with the IMF program. Well, they haven't made any painful choices at all."

But the World Bank director in Indonesia, Dennis de Tray, said the budget had "the potential" to deliver a surplus of roughly what the government has agreed with the IMF. He added that the World Bank's first reaction was that the budget was a "bona fide attempt" to produce acceptable figures.

While some economists predict that Indonesia is headed for its first recession in 20 years, the government said Tuesday that it expected the economy to grow 4 percent in the next fiscal year, a target that shows it is not being realistic, some analysts said.

The budget, unveiled by President Suharto in a speech to the House of Representatives, increased spending to 133.49 trillion rupiah (\$18.04 billion) in

the fiscal year ending March 1999, from 101.08 trillion rupiah in the current fiscal year.

The 55-minute speech before Parliament was Mr. Suharto's most important and longest public appearance since doctors ordered the 76-year-old leader to rest last month following a strenuous foreign tour. Questions over his health and a potential successor have dogged Indonesia's financial markets.

Referring to reform, Mr. Suharto said, "We are fully committed to implement the whole program in the months to come."

"The principal target of the fundamental measures that we have adopted, and will adopt, in the various fields is to restore as soon as possible the confidence of economic players, both at home and abroad," he said, his voice strengthening as he went on.

Indonesia will also most likely not deliver on a plan to narrow the current-account deficit, with a target of reaching 2 percent of gross domestic product, analysts said.

As part of the IMF plan, Indonesia pledged to run a budget surplus of 1 percent of GDP, though Finance Minister Mar'ie Mohammed dismissed concern that a failure to do so would appear to be a breach of Indonesia's IMF conditions. "That was just a target," the finance minister said.

Indonesian government officials, who appeared at a briefing Tuesday, did not say whether the government was talking to the Fund about its targets.

Indonesia's government foreign debt service costs are expected to rise 57 percent to 30.2 trillion rupiah this year from 19.23 trillion rupiah as a result of the rupiah's plunge.

The government assumed a rupiah U.S.-dollar exchange rate of 4,000 rupiah to the dollar in the budget, a decision that Mr. Mar'ie defended on Tuesday. The rupiah ended Asian trading Tuesday at 4,400 to the dollar.

"It makes sense," Mr. Mar'ie said. "If our prediction turns out not to be precise, we will review it later."

(Bloomberg, AP, Reuters)

Airbus Sees Its Future in a Super Jet Boeing Derides European Firm's Plans to Build 600-Passenger Plane

By Laurence Zuckerman
New York Times Service

The question inevitably arises whenever airline executives gather these days: Does the world need a new passenger jet larger than the 747?

Boeing Co., which makes that venerable 420-seat jumbo jet — still, after nearly 30 years, the largest commercial plane in the air — says no. Airbus Industrie, Boeing's aggressive European challenger, says yes. It has proposed a new 600-passenger double-decker super jumbo — dubbed the A3XX — that it promises will be faster, quieter, more cost-efficient and able to fly farther than the 747.

Strip away the posturing and self-serving pronouncements that are part and parcel of one of the world's most cutthroat rivalries and you have two different views of the way air travel will evolve.

Both planmakers agree that passenger traffic will nearly triple in 20 years. But Boeing believes that smaller, longer-range planes will meet the needs of most travelers, who will prefer to fly direct from, say, Chicago to Hong Kong rather than changing planes in Tokyo. Airbus counters that few new airports will be built over the next two decades and that environmental restrictions are likely to become more stringent, meaning that the glut of new travelers will need to fly in larger planes.

Some skeptics say a prolonged

Asian slump could put a damper on plans for a huge new plane, but Airbus insists that is not a factor.

"We just happen to have a philosophical difference of opinion," said Joseph Ozimek, Boeing's director of marketing.

The stakes are enormous. Alone at the high end of the market, the 747 is the foundation of Boeing's preeminence. And because the 747 has no competition, it is the source of an outsized share of Boeing's airplane profits.

Airbus, the European consortium founded by Britain, France, Germany and Spain in 1970, has been gradually gaining market share and would like to reach 50 percent of the annual global market from about 40 percent today.

Airbus said Tuesday that it would increase production 30 percent this year after receiving a record \$44.2 billion in orders for 671 planes in 1997. (Page 13.)

Of the \$1 trillion worth of new passenger jets that will be purchased in the next 20 years, Airbus predicts that at least two of every five will be able to carry 350 passengers or more. If Airbus does not build the A3XX, it will cede a large portion of those sales to Boeing.

But if the demand turns out smaller than Airbus forecasts, the A3XX, which analysts say will cost a minimum of \$10 billion (and possibly much more) to produce, could become the biggest white elephant in aircraft history. Boeing executives know the risks all

too well: developing the 747 nearly sank the company. Since 1995, Boeing has shelved two plans to build a bigger jet, concluding that the number of planes it could sell did not justify the expense.

But the fact that Boeing's go-for-broke bet on the 747 ultimately paid off may be an inspiration to Airbus. "I admire the 747 a lot," said Philip Jarry, vice president for market development in Airbus's large-aircraft division. "But people believe that it is nearing the end of its history."

What Airbus proposes is a brand-new four-engine jet with two twin-aisle decks stacked one on top of the other. A grand staircase reminiscent of a cruise ship and wide enough for two people would greet passengers as they board. And Mr. Jarry spoke of full-size beds, exercise rooms, a business center and smoking lounge.

The first model, which Airbus says could be delivered in 2003 if executives give it the go-ahead soon, would carry 550 passengers and have a range of 8,400 to 9,600 miles (13,440 kilometers to 15,360 kilometers), versus 8,300 miles for the 747. A stretch version would carry 650 passengers.

Airbus's big selling point is that thanks to a more aerodynamically efficient design and better engines, the A3XX should be able to achieve operating costs at least 17 percent lower than the latest 747, introduced in 1989.

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CURRENCY & INTEREST RATES

Jan. 6									
Cross Rates									
	\$	D.M.	P.M.	Lin	D.R.	B.P.	S.R.	Yn	Cn
American	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
British	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
French	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55
German	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Japanese	106.00	106.00	106.00	106.00	106.00	106.00	106.00	106.00	106.00
Swiss	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Italian	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Spanish	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Portuguese	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48
Belgian	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36
Dutch	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Swedish	8.46	8.46	8.46	8.46	8.46	8.46	8.46	8.46	8.46
Norwegian	4.76	4.76	4.76	4.76	4.76	4.76	4.76	4.76	4.76
Israeli	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
South African	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Thai	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50
Malaysian	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Indonesian	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00
Philippine	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00
Chinese	8.27	8.27	8.27	8.27	8.27	8.27	8.27	8.27	8.27
Indian	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50
Pakistani	103.75	103.75	103.75	103.75	103.75	103.75	103.75	103.75	103.75
Thai	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50
Malaysian	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Indonesian	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00
Philippine	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00
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Indonesian	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00	1,574.00
Philippine	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00
Chinese	8.27	8.27	8.27	8.27	8.27	8.27	8.27	8.27	8.27
Indian	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50
Pakistani	103.75	103.75	103.75	103.75	103.75	103.75	103.75		

Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

[illegible]

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1. *Journal of the American Medical Association*, 1997; 277: 1033-1036.

Tuesday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

[illegible]

Order	Part	Qty	Unit	Price	Total	Remarks
1	1000	1	kg	1000	1000	
2	2000	1	kg	2000	2000	
3	3000	1	kg	3000	3000	
4	4000	1	kg	4000	4000	
5	5000	1	kg	5000	5000	
6	6000	1	kg	6000	6000	
7	7000	1	kg	7000	7000	
8	8000	1	kg	8000	8000	
9	9000	1	kg	9000	9000	
10	10000	1	kg	10000	10000	
11	11000	1	kg	11000	11000	
12	12000	1	kg	12000	12000	
13	13000	1	kg	13000	13000	
14	14000	1	kg	14000	14000	
15	15000	1	kg	15000	15000	
16	16000	1	kg	16000	16000	
17	17000	1	kg	17000	17000	
18	18000	1	kg	18000	18000	
19	19000	1	kg	19000	19000	
20	20000	1	kg	20000	20000	
21	21000	1	kg	21000	21000	
22	22000	1	kg	22000	22000	
23	23000	1	kg	23000	23000	
24	24000	1	kg	24000	24000	
25	25000	1	kg	25000	25000	
26	26000	1	kg	26000	26000	
27	27000	1	kg	27000	27000	
28	28000	1	kg	28000	28000	
29	29000	1	kg	29000	29000	
30	30000	1	kg	30000	30000	
31	31000	1	kg	31000	31000	
32	32000	1	kg	32000	32000	
33	33000	1	kg	33000	33000	
34	34000	1	kg	34000	34000	
35	35000	1	kg	35000	35000	
36	36000	1	kg	36000	36000	
37	37000	1	kg	37000	37000	
38	38000	1	kg	38000	38000	
39	39000	1	kg	39000	39000	
40	40000	1	kg	40000	40000	
41	41000	1	kg	41000	41000	
42	42000	1	kg	42000	42000	
43	43000	1	kg	43000	43000	
44	44000	1	kg	44000	44000	
45	45000	1	kg	45000	45000	
46	46000	1	kg	46000	46000	
47	47000	1	kg	47000	47000	
48	48000	1	kg	48000	48000	
49	49000	1	kg	49000	49000	
50	50000	1	kg	50000	50000	
51	51000	1	kg	51000	51000	
52	52000	1	kg	52000	52000	
53	53000	1	kg	53000	53000	
54	54000	1	kg	54000	54000	
55	55000	1	kg	55000	55000	
56	56000	1	kg	56000	56000	
57	57000	1	kg	57000	57000	
58	58000	1	kg	58000	58000	
59	59000	1	kg	59000	59000	
60	60000	1	kg	60000	60000	
61	61000	1	kg	61000	61000	
62	62000	1	kg	62000	62000	
63	63000	1	kg	63000	63000	
64	64000	1	kg	64000	64000	
65	65000	1	kg	65000	65000	
66	66000	1	kg	66000	66000	
67	67000	1	kg	67000	67000	
68	68000	1	kg	68000	68000	
69	69000	1	kg	69000	69000	

[illegible][illegible]

High	Low	Latent	Ch
100	100	100	100
90	90	90	90
80	80	80	80
70	70	70	70
60	60	60	60
50	50	50	50
40	40	40	40
30	30	30	30
20	20	20	20
10	10	10	10
0	0	0	0

[illegible]

Tuesday's 4 P.M. Close

Tuesday's 4 P.M. Close										
(Continued)										
500	1000	1000	1000	1000	1000	1000	1000	1000	1000	
High	Low	Stock	Div	Ys	PE	100s	High	Low	High	
209.00	207.00	TEA	.074	27.4	13	172	434	269	299	+1/2
210.00	208.00	TEB	.166	16.6	12	172	269	299	299	+1/2
211.00	209.00	TEC	.166	16.6	12	172	269	299	299	+1/2
212.00	210.00	TEH	.166	16.6	12	172	269	299	299	+1/2
213.00	211.00	TEI	.166	16.6	12	172	269	299	299	+1/2
214.00	212.00	TEJ	.166	16.6	12	172	269	299	299	+1/2
215.00	213.00	TEK	.166	16.6	12	172	269	299	299	+1/2
216.00	214.00	TEL	.166	16.6	12	172	269	299	299	+1/2
217.00	215.00	TEM	.166	16.6	12	172	269	299	299	+1/2
218.00	216.00	TEN	.166	16.6	12	172	269	299	299	+1/2
219.00	217.00	TEO	.166	16.6	12	172	269	299	299	+1/2
220.00	218.00	TEP	.166	16.6	12	172	269	299	299	+1/2
221.00	219.00	TEQ	.166	16.6	12	172	269	299	299	+1/2
222.00	220.00	TER	.166	16.6	12	172	269	299	299	+1/2
223.00	221.00	TES	.166	16.6	12	172	269	299	299	+1/2
224.00	222.00	TEU	.166	16.6	12	172	269	299	299	+1/2
225.00	223.00	TEV	.166	16.6	12	172	269	299	299	+1/2
226.00	224.00	TEW	.166	16.6	12	172	269	299	299	+1/2
227.00	225.00	TEX	.166	16.6	12	172	269	299	299	+1/2
228.00	226.00	TEY	.166	16.6	12	172	269	299	299	+1/2
229.00	227.00	TEZ	.166	16.6	12	172	269	299	299	+1/2
230.00	228.00	TEA	.166	16.6	12	172	269	299	299	+1/2
231.00	229.00	TEB	.166	16.6	12	172	269	299	299	+1/2
232.00	230.00	TEC	.166	16.6	12	172	269	299	299	+1/2
233.00	231.00	TEH	.166	16.6	12	172	269	299	299	+1/2
234.00	232.00	TEI	.166	16.6	12	172	269	299	299	+1/2
235.00	233.00	TEJ	.166	16.6	12	172	269	299	299	+1/2
236.00	234.00	TEK	.166	16.6	12	172	269	299	299	+1/2
237.00	235.00	TEL	.166	16.6	12	172	269	299	299	+1/2
238.00	236.00	TEM	.166	16.6	12	172	269	299	299	+1/2
239.00	237.00	TEN	.166	16.6	12	172	269	299	299	+1/2
240.00	238.00	TEO	.166	16.6	12	172	269	299	299	+1/2
241.00	239.00	TEP	.166	16.6	12	172	269	299	299	+1/2
242.00	240.00	TEQ	.166	16.6	12	172	269	299	299	+1/2
243.00	241.00	TER	.166	16.6	12	172	269	299	299	+1/2
244.00	242.00	TES	.166	16.6	12	172	269	299	299	+1/2
245.00	243.00	TEU	.166	16.6	12	172	269	299	299	+1/2
246.00	244.00	TEV	.166	16.6	12	172	269	299	299	+1/2
247.00	245.00	TEW	.166	16.6	12	172	269	299	299	+1/2
248.00	246.00	TEX	.166	16.6	12	172	269	299	299	+1/2
249.00	247.00	TEY	.166	16.6	12	172	269	299	299	+1/2
250.00	248.00	TEZ	.166	16.6	12	172	269	299	299	+1/2
251.00	249.00	TEA	.166	16.6	12	172	269	299	299	+1/2
252.00	250.00	TEB	.166	16.6	12	172	269	299	299	+1/2
253.00	251.00	TEC	.166	16.6	12	172	269	299	299	+1/2
254.00	252.00	TEH	.166	16.6	12	172	269	299	299	+1/2
255.00	253.00	TEI	.166	16.6	12	172	269	299	299	+1/2
256.00	254.00	TEJ	.166	16.6	12	172	269	299	299	+1/2
257.00	255.00	TEK	.166	16.6	12	172	269	299	299	+1/2
258.00	256.00	TEL	.166	16.6	12	172	269	299	299	+1/2
259.00	257.00	TEM	.166	16.6	12	172	269	299	299	+1/2
260.00	258.00	TEN	.166	16.6	12	172	269	299	299	+1/2
261.00	259.00	TEO	.166	16.6	12	172	269	299	299	+1/2
262.00	260.00	TEP	.166	16.6	12	172	269	299	299	+1/2
263.00	261.00	TEQ	.166	16.6	12	172	269	299	299	+1/2
264.00	262.00	TER	.166	16.6	12	172	269	299	299	+1/2
265.00	263.00	TES	.166	16.6	12	172	269	299	299	+1/2
266.00	264.00	TEU	.166	16.6	12	172	269	299	299	+1/2
267.00	265.00	TEV	.166	16.6	12	172	269	299	299	+1/2
268.00	266.00	TEW	.166	16.6	12	172	269	299	299	+1/2
269.00	267.00	TEX	.166	16.6	12	172	269	299	299	+1/2
270.00	268.00	TEY	.166	16.6	12	172	269	299	299	+1/2
271.00	269.00	TEZ	.166	16.6	12	172	269	299	299	+1/2
272.00	270.00	TEA	.166	16.6	12	172	269	299	299	+1/2
273.00	271.00	TEB	.166	16.6	12	172	269	299	299	+1/2
274.00	272.00	TEC	.166	16.6	12	172	269	299	299	+1/2
275.00	273.00	TEH	.166	16.6	12	172	269	299	299	+1/2
276.00	274.00	TEI	.166	16.6	12	172	269	299	299	+1/2
277.00	275.00	TEJ	.166	16.6	12	172	269	299	299	+1/2
278.00	276.00	TEK	.166	16.6	12	172	269	299	299	+1/2
279.00	277.00	TEL	.166	16.6	12	172	269	299	299	+1/2
280.00	278.00	TEM	.166	16.6	12	172	269	299	299	+1/2
281.00	279.00	TEN	.166	16.6	12	172	269	299	299	+1/2
282.00	280.00	TEO	.166	16.6	12	172	269	299	299	+1/2
283.00	281.00	TEP	.166	16.6	12	172	269	299	299	+1/2
284.00	282.00	TEQ	.166	16.6	12	172	269	299	299	+1/2
285.00	283.00	TER	.166	16.6	12	172	269	299	299	+1/2
286.00	284.00	TES	.166	16.6	12	172	269	299	299	+1/2
287.00	285.00	TEU	.166	16.6	12	172	269	299	299	+1/2
288.00	286.00	TEV	.166	16.6	12	172	269	299	299	+1/2
289.00	287.00	TEW	.166	16.6	12	172	269	299	299	+1/2
290.00	288.00	TEX	.166	16.6	12	172	269	299	299	+1/2
291.00	289.00	TEY	.166	16.6	12	172	269	299	299	+1/2
292.00	290.00	TEZ	.166	16.6	12	172	269	299	299	+1/2
293.00	291.00	TEA	.166	16.6	12	172	269	299	299	+1/2
294.00	292.00	TEB	.166	16.6	12	172	269	299	299	+1/2
295.00	293.00	TEC	.166	16.6	12	172	269	299	299	+1/2
296.00	294.00	TEH	.166	16.6	12	172	269	299	299	+1/2
297.00	295.00	TEI	.166	16.6	12	172	269	299	299	+1/2
298.00	296.00	TEJ	.166	16.6	12	172	269	299	299	+1/2
299.00	297.00	TEK	.166	16.6	12	172	269	299	299	+1/2
300.00	298.00	TEL	.166	16.6	12	172	269	299	299	+1/2
301.00	299.00	TEM	.166	16.6	12	172	269	299	299	+1/2
302.00	300.00	TEN	.166	16.6	12	172	269	299	299	+1/2
303.00	301.00	TEO	.166	16.6	12	172	269	299	299	+1/2
304.00	302.00	TEP	.166	16.6	12	172	269	299	299	+1/2
305.00	303.00	TEQ	.166	16.6	12	172	269	299	299	+1/2
306.00	304.00	TER	.166	16.6	12	172	269	299	299	+1/2
307.00	305.00	TES	.166	16.6	12	172	269	299	299	+1/2
308.00	306.00	TEU	.166	16.6	12	172	269	299	299	+1/2
309.00	307.00	TEV	.166	16.6	12	172	269	299	299	+1/2
310.00	308.00	TEW	.166	16.6	12	172	269	299	299	+1/2
311.00	309.00	TEX	.166	16.6	12	172	269	299	299	+1/2
312.00	310.00	TEY	.166	16.6	12	172	269	299	299	+1/2
313.00	311.00	TEZ	.166	16.6	12	172	269	299	299	+1/2
314.00	312.00	TEA	.166	16.6	12	172	269	299	299	+1/2
315.00	313.00	TEB	.166	16.6	12	172	269	299	299	+1/2
316.00	314.00	TEC	.166	16.6	12	172	269	299	299	+1/2
317.00	315.00	TEH	.166	16.6	12	172	269	299	299	+1/2
318.00	316.00	TEI	.166	16.6	12	172	269	299	299	+1/2
319.00	317.00	TEJ	.166	16.6	12	172	269	299	299	+1/2
320.00	318.00	TEK	.166	16.6	12	172	269	299	299	+1/2
321.00	319.00	TEL	.166	16.6	12	172	269	299	299	+1/2
322.00	320.00	TEM	.166	16.6	12	172	269	299	299	+1/2
323.00	321.00	TEN	.166	16.6	12	172	269	299	299	+1/2
324.00	322.00	TEO	.166	16.6	12	172	269	299	299	+1/2
325.00	323.00	TEP	.166	16.6	12	172	269	299	299	+1/2
326.00	324.00	TEQ	.166	16.6	12	172	269	299	299	+1/2
327.00	325.00	TER	.166	16.6	12	172	269	299	299	+1/2
328.00	326.00	TES	.166	16.6	12	172	269	299	299	+1/2
329.00	327.00	TEU	.166	16.6	12	172	269	299	299	+1/2
330.00	328.00	TEV	.166	16.6	12	172	269	299	299	+1/2
331.00	329.00	TEW	.166	16.6	12	172	269	299	299	+1/2
332.00	330.00	TEX	.166	16.6	12	172	269	299	299	+1/2
333.00	331.00	TEY	.166	16.6	12	172	269	299	299	+1/2
334.00	332.00	TEZ	.166	16.6	12	172	269	299	299	+1/2

High	Low	Open	Close	Stock	Div Yld	PE	100 Shs	High	Low	Last	Change
2604	254	257	257	Pharmacia	2.16	8.6	—	230	230	230	+36
2594	254	257	257	Pfizer	—	—	—	230	230	230	+36
2584	254	257	257	Pfizer	—	—	—	230	230	230	+36
2574	254	257	257	Pfizer	—	—	—	230	230	230	+36
2564	254	257	257	Pfizer	—	—	—	230	230	230	+36
2554	254	257	257	Pfizer	—	—	—	230	230	230	+36
2544	254	257	257	Pfizer	—	—	—	230	230	230	+36
2534	254	257	257	Pfizer	—	—	—	230	230	230	+36
2524	254	257	257	Pfizer	—	—	—	230	230	230	+36
2514	254	257	257	Pfizer	—	—	—	230	230	230	+36
2504	254	257	257	Pfizer	—	—	—	230	230	230	+36
2494	254	257	257	Pfizer	—	—	—	230	230	230	+36
2484	254	257	257	Pfizer	—	—	—	230	230	230	+36
2474	254	257	257	Pfizer	—	—	—	230	230	230	+36
2464	254	257	257	Pfizer	—	—	—	230	230	230	+36
2454	254	257	257	Pfizer	—	—	—	230	230	230	+36
2444	254	257	257	Pfizer	—	—	—	230	230	230	+36
2434	254	257	257	Pfizer	—	—	—	230	230	230	+36
2424	254	257	257	Pfizer	—	—	—	230	230	230	+36
2414	254	257	257	Pfizer	—	—	—	230	230	230	+36
2404	254	257	257	Pfizer	—	—	—	230	230	230	+36
2394	254	257	257	Pfizer	—	—	—	230	230	230	+36
2384	254	257	257	Pfizer	—	—	—	230	230	230	+36
2374	254	257	257	Pfizer	—	—	—	230	230	230	+36
2364	254	257	257	Pfizer	—	—	—	230	230	230	+36
2354	254	257	257	Pfizer	—	—	—	230	230	230	+36
2344	254	257	257	Pfizer	—	—	—	230	230	230	+36
2334	254	257	257	Pfizer	—	—	—	230	230	230	+36
2324	254	257	257	Pfizer	—	—	—	230	230	230	+36
2314	254	257	257	Pfizer	—	—	—	230	230	230	+36
2304	254	257	257	Pfizer	—	—	—	230	230	230	+36
2294	254	257	257	Pfizer	—	—	—	230	230	230	+36
2284	254	257	257	Pfizer	—	—	—	230	230	230	+36
2274	254	257	257	Pfizer	—	—	—	230	230	230	+36
2264	254	257	257	Pfizer	—	—	—	230	230	230	+36
2254	254	257	257	Pfizer	—	—	—	230	230	230	+36
2244	254	257	257	Pfizer	—	—	—	230	230	230	+36
2234	254	257	257	Pfizer	—	—	—	230	230	230	+36
2224	254	257	257	Pfizer	—	—	—	230	230	230	+36
2214	254	257	257	Pfizer	—	—	—	230	230	230	+36
2204	254	257	257	Pfizer	—	—	—	230	230	230	+36
2194	254	257	257	Pfizer	—	—	—	230	230	230	+36
2184	254	257	2								

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The marginal symbols indicate frequency of operations symbolized: (a) - stable; (b) - constant; (c) -

WORLD ROUNDUP



Mary Pierce playing a return Tuesday against Anke Huber.

Pierce Lifts France

TENNIS Mary Pierce overpowered Anke Huber, 6-4, 6-3, and teamed with Cedric Pioline in a doubles victory as France beat Germany by 3-0 Tuesday in the Hopman Cup team tournament in Perth, Australia.

Pioline beat Tommy Haas, 6-4, 6-4, and Pierce and Pioline beat Huber and Haas, 2-6, 6-3, 7-3, in doubles, with the final set reduced to a tiebreaker.

Slovakia took an unbeatable 2-0 lead over Sweden as Karol Kucera beat Thomas Enqvist and Karina Habsudova downed Asa Carlsson.

Habsudova's 6-3, 6-3 victory was held up for 45 minutes by a lights failure. Kucera beat Enqvist, 6-4, 6-4.

At the Australian Hardcourt championships in Adelaide, Mark Woodford beat Jim Courier, the No. 3 seed, 7-5, 6-2, in the first round on Tuesday.

Courier said he planned to spend the next five days practicing for the Australian Open, adding, "There's no denying I'm not prepared."

Andre Agassi trailed Sergis Sargsian of Armenia, 6-4, 3-2, when their match was suspended because of rain.

In Gold Coast, Maria Vento of Venezuela upset the defender, Elena Likhovitsa of Russia, 7-5, 6-4, on Tuesday in a rain-plagued match in the Australian Women's Hardcourt Championships. (AP)

Schumacher Investigated

FORMULA ONE German prosecutors said Tuesday that they had launched a criminal investigation involving the former world champion Michael Schumacher over his Grand Prix collision with Jacques Villeneuve in October.

State prosecutors in Cologne said they had been asked to investigate the incident by a person in Frankfurt, whom they did not name. (Reuters)

Lewis Will Fight Briggs

BOXING Lennox Lewis, the WBC heavyweight champion, will defend his title against the American Shannon Briggs on March 28 in Atlantic City, New Jersey. Panos Eliades, Lewis's promoter, said Tuesday that the fight would have a total purse of \$8 million.

A kickboxer pummeled with four kicks to the head during a weekend middleweight bout at the Forum in Los Angeles remained in critical condition, two days after surgery for bleeding in the brain.

Redone Bougara, 23, of France, sustained a massive hematoma, according to Robert Kums, the supervising doctor at the bout. (AP)

Bairstow Is Found Dead

CRICKET David Bairstow, a former Yorkshire and England wicketkeeper, has been found hanged at his home, the police said. Bairstow, 46, who captained Yorkshire in the 1980s, was found by a member of his family Monday. An inquest will be held. (Reuters)

**Picking 10 Playmates
For the Great Ronaldo**
Who Else Would Start on a World Team?

By Rob Hughes
International Herald Tribune

AT 21, Ronaldo has matured into a performer so forceful, so gifted and so reliable that he makes all contests for soccer player of the year redundant.

FIFA, the governing body of world soccer, will go ahead and host its television gala to unveil its player of the year.

WORLD SOCCER

on Monday but frankly — though Dennis Bergkamp, Roberto Carlos and others are on the shortlist — the winner will be the same as last year, the same as in all other polls: Ronaldo, Ronaldo, Ronaldo.

Last Sunday, Ronaldo turned goal-maker with a tigerish burst of pace and power on the wing. He lured Paolo Montero, Juventus's intimidating center back, out to the flank and beat him with sheer strength. He outspurred left back Mark Iuliano, and then caressed a low, diagonal pass that begged Yuri Djorkaeff to score into Milan's winning goal.

Normally, Ronaldo is the one putting the ball in the net, as he did 60 times in 70 competitive matches in 1997 for Barcelona, for Brazil, and for Inter, his latest team. If he remains healthy, he'll do it in the World Cup in France this summer, and he'll be the one to lead the team in 1998, as he has for 1997 and 1996.

As last somebody has thought up something more imaginative than just choosing the obvious annual icon of the sport, Eurosport, the European satellite broadcaster, doesn't have the biggest budget or staff, but it realized that soccer is a team game and this is a World Cup year, so it picked a Dream Team in anticipation of the event.

The main striker? Well, that's a foregone conclusion. But building a team around Ronaldo is a whole new ball game, and Eurosport tapped the insight of some of the most experienced coaches in the world to select this team:

- Andreas Kopke (Germany and Olympic Marseille), goalie;
- Lilian Thuram (France and Parma), right back;
- Frank de Boer (Netherlands and Ajax), center half;
- Fernando Hierro (Spain and Real Madrid), libero;
- Roberto Carlos (Brazil and Real Madrid), left back;
- Clarence Seedorf (Netherlands and Real Madrid), holding midfielder;
- Fritzi George (Nigeria and Betis Seville), right midfield/wing;
- Zinedine Zidane (France and Juventus), playmaker;
- Christian Ziege (Germany and AC Milan), left midfield/wing;
- Ronaldo (Brazil and Inter), striker;
- Pedrag Mijatovic (Yugoslavia and Real Madrid), second striker.

Now the fun starts. It's time for you and me to agree or disagree. By accident or design, there are no Argentines, Englishmen or Italians. The team has four

Real Madrid players, but none from Manchester United or the three German clubs also competing in the European Champions Cup. It has one African, a token to the continent of emerging talents.

I would not start with Kopke in goal. He punches too much and catches too little. But Ray Clemence, once a fine England goalkeeper, told Eurosport of Kopke's unflappable temperament. The Dane, Peter Schmeichel, dominates a penalty area more authoritatively, and in his saner moments, Jose Luis Chilavert of Chile has greater natural flair.

At right back there is no argument. Thuram is one of the most accomplished defenders in Italy's Serie A.

In central defense, Frank de Boer, or his twin, Ron, would let no one down. Maybe, Marcel Desailly, Milan's import from France, would offer a more imposing presence.

There is only one libero, Matthias Sammer. The German has horrendous injury problems but his ability to convert defense to attack is extraordinary. Hierro was chosen for the Dream Team by Radoimir Anic, who coaches Madrid's rival, Atletico. Hierro offers dependability and aerial strength, but he lacks the flexibility of a true libero.

At left back, Roberto Carlos brooks no rival. Antonio Cabrini, the once great Italian defender, selects him as the extra attacker. However, Cabrini omitted Paulo Maldini not only at left back, but also on the left side of midfield where, surely, he is more than the equal of Christian Ziege.

Coach Luis Fernandez picks Clarence Seedorf as the midfield anchor. Yet Seedorf would be wasted in negative duties and would flourish on the right where Real Madrid gets the best from him. That position is given to Finidi, a delightful man.

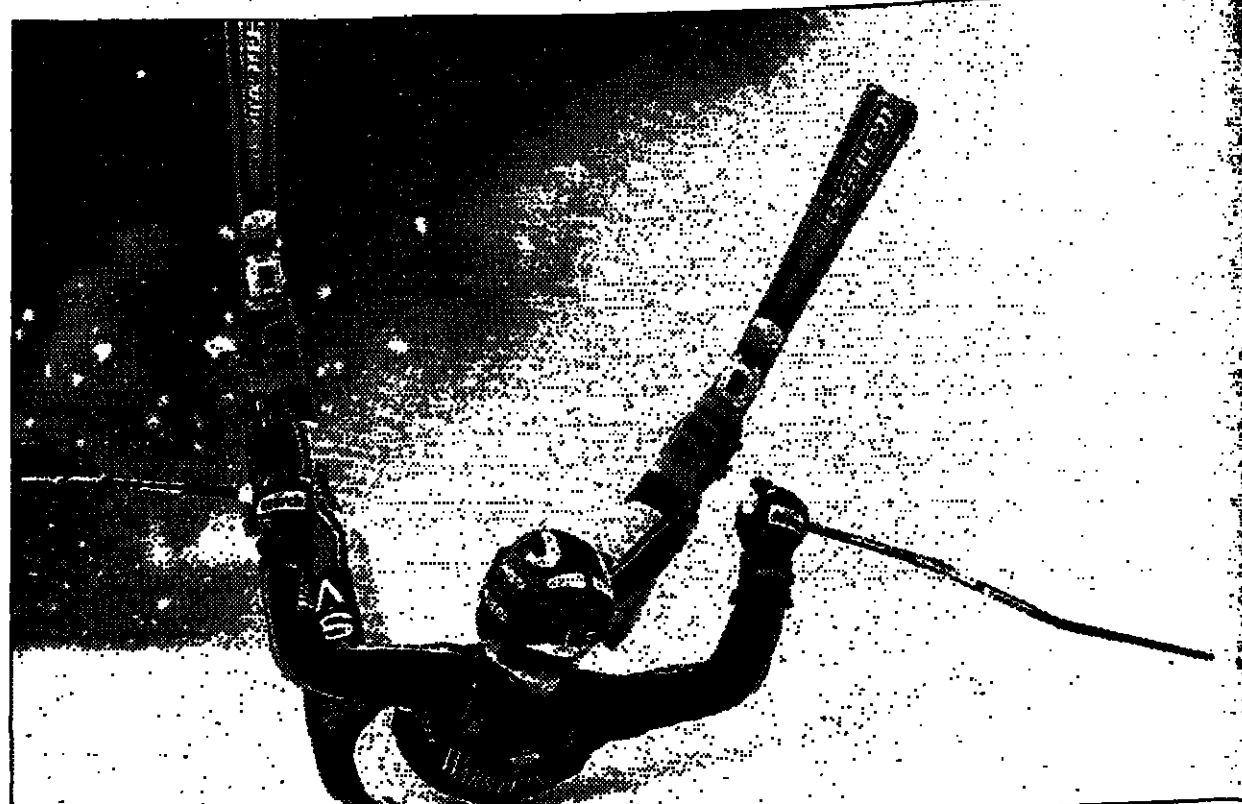
"He is the most fantastic team player," says Johnnie Rep, the Dutchman who influenced his inclusion. Yet Thomas Hassler, a German, conjures up images that argue his case.

On his day, Zidane is a wizard. "He can create, he can control the rhythm, he can score," says Bert Vogts, Germany's trainer and Zidane's admirer. Yet Michel Platini, who did all those things, enlists Jay Jay Okocha, the Nigerian. And Denisson, a Brazilian, might eclipse all others in invention.

Finally, is Mijatovic the best strike partner for Ronaldo? "He is," says Just Fontaine, the great French finisher of the past. He is "a goal scorer of great calm, great technique." The Montenegrin puts the ball away with cold precision. But so does a Croat, Davor Suker. And Gabriel Batistuta, an Argentine, has grace laid with ferocious power.

Why deprive Ronaldo of Romario, the most cunning, most creative, most complementary goal scoring mate he has had? It's a partnership made in Brazil, and cannot be bettered.

Rob Hughes is on the staff of The Times of London.



Birgit Heeb of Lichtenstein falling after missing a gate Tuesday in the World Cup giant slalom in Bormio, Italy.

Compagnoni Stretches Streak to 9

BORMIO, Italy — Deborah Compagnoni took her unbeaten streak in the giant slalom to nine races Tuesday.

Compagnoni has not lost a giant slalom for more than a year. In that time she has won eight successive World Cup races and the 1997 world championship.

The victory Tuesday was her first in Valtellina, the region comprising Bormio and her birthplace of Santa Caterina, 10 kilometers (6 miles) away.

Compagnoni, whose last defeat in a giant slalom was on Jan. 3, 1997, when she was second behind teammate Sabina Panzanini at Maribor, Slovenia, finished 12th in a World Cup slalom here Monday.

But she made up for that setback by gaining a modest 0.27 second lead after the first leg and then skiing an aggressive second to seal the victory and delight hundreds of fans crowded around the finish line. Her total time was two minutes 20.38 seconds.

"I skied to about 90 percent in the first run and I made a couple of mistakes. I was going flat-out in the second run," she said.

Martina Ertl, second after the first leg, was the runner-up in 2:21.02.

Alexandra Meissnitzer of Austria, who has twice finished second behind Compagnoni this season, was third in 2:21.96. Meissnitzer was in fourth place after the first leg but skied well on the lower part of the course in the second round.

Ertl's teammate Katja Seizinger bolstered her position at the top of the overall World Cup standings by taking fourth place in 2:22.57.

Viva Nowen of Sweden, who won her fourth consecutive World Cup slalom here Monday, slid out of the giant slalom in the first leg.

In Seefeld-Hinterglemm, Austria, Hermann Maier held off Alberto Tomba to win a men's giant slalom Tuesday and extend his World Cup lead.

Maier's blistering second run clinched the Austrian's fourth victory of the season.

"I skied for my life in the second run," Maier said.

Tomba staged one of his trademark second-run comebacks to jump from eighth to second.

But Maier, a 25-year-old former

bricklayer, posted the fastest times in both runs for a winning aggregate of two minutes, 37.96 seconds, beating Tomba by a whopping 2.44 seconds on the 52-gate Zwölfer course.

Tomba trailed Maier by 1.54 seconds after the first heat, but the Italian made a sensational second run. Tomba's combined time was 2:40.40.

Rainer Salzgeber of Austria, who was second after the first run, dropped to third at 2:40.65.

A First for Japanese Jumper

Kazuyoshi Funaki became the first Japanese ski jumper to win the Four Hill tour, although he failed in his attempt Tuesday to sweep all four events. The Associated Press reported from Bischofshofen, Austria.

Funaki was only eighth in the final series Tuesday, but it was enough to give him overall victory on the tour that has two stops in Germany and two in Austria. No jumper has ever swept all four hills.

Sven Hannawald of Germany won the event Tuesday to place second in the Four Hill series.

SNOW: All Eyes in Nagano Are on the Sky as Olympics Draw Near

Continued from Page 1

parade of 2,000 athletes from 71 countries at the opening ceremonies for the biggest Winter Games ever.

Officials here hope the '98 Games will prove to be uniquely Japanese in their simplicity and style and high-tech bent.

The Japanese conductor Seiji Ozawa will direct, via satellite, choirs in New York, Beijing, Sydney, Berlin, Cape Town, and Nagano in Beethoven's Ninth Symphony, after engineers figured out how to adjust for the delay of several seconds in global satellite linkups.

A slick speed-skating ring and a figure-skating arena, many with heated seats for spectators are part of the many new venues. And such gadgets as a telephone that looks like a wristwatch and will allow top Olympic officials to talk into their wrists like Dick Tracy are being unveiled by the Japanese telecommunications industry.

To add small-town hospitality, volunteers will offer free miso soup and origami good-luck charms. And Nagano residents like Yokoyama Tadamasu, 59, a taxi driver, has been trying to learn a few words of English.

"I'm looking forward to meeting people from around the world, though I feel sorry

for myself because I cannot speak English," he said.

Snow, traffic and language are the big worries for Nagano.

In the hopes of breaking the language barrier, a new language hot line is now being installed. It will allow, for instance, an American who wants a cheeseburger and fries but cannot communicate that to a Japanese restaurant, to dial a translator from his table.

But of all the worries, it is the weather that keeps people talking.

Last year in February, there was so much snow in Nagano's streets that huge snowbanks made it difficult to drive.

Typically, 60 centimeters of snow would have accumulated in Hakuba village by early January, according to the Nagano Local Meteorological Observatory. But on Monday only about 22 centimeters of snow had fallen, most of it within the last 24 hours.

"As of yesterday we had no snow at all on the cross-country course, but today it is all white," said a relieved organizer, Hiroaki Kato. "I hope it doesn't melt."

Everyone here does, and 100 snowmaking machines are working around the clock. At the cross-country sites, about 1,000 mats, most of them made of straw, have

been placed on the ground so that when snow falls on them, it will not melt as quickly as it would on the warmer earth.

The military is standing by, and as many as 1,000 members of the Japanese Self Defense Force — most of them trained skiers — may be called on to truck snow into the various venues, march on it and pack it.

Major General Hiroshi Murasaki, commander of the self-defense force's Olympic unit, said in an interview Monday that 350 military skiers were preparing for snow duty.

Snow reconnaissance has pinpointed Otari village as a likely site from which snow could be trucked, he said.

Concern about avalanches and blocked roads have made some snowy areas off-limits.

With bulldozers and dump trucks a lot can be accomplished, even if the skiers don't cooperate. But General Murasaki said that if the temperature soars, a full truckload of snow could quickly melt to half a load.

This year's winter weather, he said, "has been extremely unusual."

General Murasaki, whose job it is to plan for the worst, lowered his voice with contained emotion and said he hoped "nature could help our mission."

Regardless, he said, "we will do our best."



Olympic committee officials in Nagano, Japan, praying at Zenkoji Temple for the success of the Winter Games.

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE			
Team	W	L	Pct
Atlanta	20	11	.645
New York	18	14	.563
New Jersey	17	14	.548
Boston	16	14	.533
Orlando	17	16	.515
Washington	18	17	.514
Philadelphia	9	22	.290
CENTRAL DIVISION			
Chicago	22	10	.688
Indiana	21	10	.677
Cleveland	19	11	.633
Atlanta	19	12	.613
Charlotte	19	12	.613
Memphis	15	17	.469
Detroit	15	18	.456
Toronto	4	29	.121
WESTERN DIVISION			
San Antonio	21	11	.656
Utah	20	11	.645
Houston	17	12	.586
Minnesota	16	15	.516
Vancouver	10	20	.333
Dallas	5	27	.156
Denver	2	28	.067

MAJOR COLLEGE SCORES

Team	Score
Seattle	81-31
LA Lakers	80-70
Phoenix	79-65
Portland	78-64
San Jose	77-63
LA Clippers	76-62
Golden State	75-61

THE AP TOP 25

Team	Score
Seattle	81-31
LA Lakers	80-70
Phoenix	79-65
Portland	78-64
San Jose	77-63
LA Clippers	76-62
Golden State	75-61

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE			
Team	W	L	Pts
Philadelphia	24	11	49
New Jersey	23	12	46
Washington	18	16	34
Pittsburgh	15	20	30
N.Y. Islanders	15	22	30
Tampa Bay	9	24	26
NORTHWEST DIVISION			
Edmonton	23	15	48
Pittsburgh	21	13	44
San Jose	18	16	34
Calgary	18	18	34
Colorado	14	22	26
Buffalo	14	19	26
CENTRAL DIVISION			
Dallas	26	9	55
St. Louis	22	15	47
Phoenix	19	17	45
Edmonton	18	18	34
Calgary	11	24	22
San Jose	10	24	20

CRICKET

Team	Score
South Africa	316-5
New Zealand	152-0
Australia	152-0

SOCCER

ENGLISH FA CUP

Team	Score
Manchester United	3-1
Chelsea	2-1
Liverpool	1-0
Manchester City	1-0
Sheff Wed	1-0
Sheff Utd	1-0
Sheff Albion	1-0
Sheff Wednesday	1-0
Sheff Wednesday	1-0
Sheff Wednesday	1-0

TRANSITIONS

AMERICAN LEAGUE

Team	Score
Detroit	5-4
Minnesota	4-3
Chicago	3-2
St. Louis	2-1
Philadelphia	1-0
Pittsburgh	1-0
Cleveland	1-0
San Diego	1-0
Los Angeles	1-0
San Francisco	1-0
Seattle	1-0
San Jose	1-0
San Jose	1-0
San Jose	1-0

SKIIING

WOMEN'S GIANT SLALOM

Team	Score
Deborah Compagnoni	2:20.38
Martina Ertl	2:21.02
Alexandra Meissnitzer	2:21.96
Katja Seizinger	2:22.57
Viva Nowen	2:22.57
Rainer Salzgeber	2:40.65
Alberto Tomba	2:40.40
Sven Hannawald	2:40.40
Kazuyoshi Funaki	2:40.40
General Murasaki	2:40.40
General Murasaki	2:40.40
General Murasaki	2:40.40
General Murasaki	2:40.40

TENNIS

HOPMAN CUP

Team	Score
France	3-0
Germany	0-3
Australia	2-1
Sweden	0-2
Slovakia	2-0
Russia	1-1
USA	1-1
USA	1-1
USA	1-1
USA	1-1
USA	1-1
USA	1-1
USA	1-1
USA	1-1
USA	1-1

Ewing Groun
The Wizard

Dallas Comes

For Packers

RECRUITMENT

TRANSITIONS

AMERICAN LEAGUE

NATIONAL HOCKEY LEAGUE

SKIIING

WOMEN'S GIANT SLALOM

TENNIS

HOPMAN CUP

SPORTS

Ewing Grounded, The Wizards Waltz

The Associated Press
Patrick Ewing was away, so the Washington Wizards did pretty much as they pleased close to the New York Knicks basket.

They alley-ooped, tipped in misses, dunked, drove for layups, hit jumpers from the lane and shot a much higher

NBA Roundup

percentage and scored far more points than any Knicks opponent had all season, beating New York on Monday night, 113-106.

"I prefer playing them without Patrick," said Bernie Bickerstaff, the Wizards' coach.

Washington snapped its 14-game losing streak at Madison Square Garden, winning on the Knicks' court for the first time since Jan. 31, 1991.

"This was a small part of a big goal," Chris Webber said. "We want to be a great team like the Knicks, Bulls and Rockets. The first start is winning on their home courts."

Webber scored 26 points, shot 10-for-18 from the field and had 11 rebounds and seven assists. Juwan Howard also scored 26 points, shooting 10-for-17. Rod Strickland added 21 points, shooting 7-for-13, and Cal-

bert Cheaney shot 8-for-10 and had 16 points.

Spartans 74, Magic 69 In Orlando, Tim Duncan scored 20 points, and David Robinson made six free throws in a game-ending 12-3 run that carried San Antonio over the slumping Magic.

The loss was the ninth in 10 games for the injury-depleted Magic, who missed 22 of 27 shots in the fourth quarter and stumbled after leading by 66-62 with 5:34 to go.

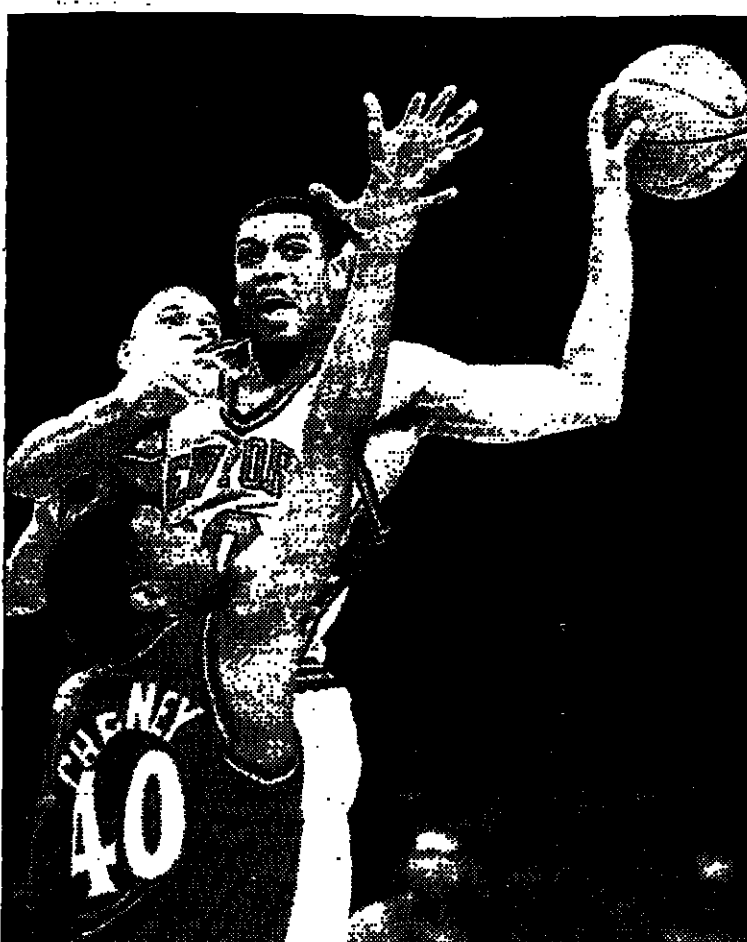
Rockets 120, Raptors 96 Kevin Willis scored 20 points and Matt Bullard added 19 as Houston won at Toronto.

After missing their first six 3-point shots, the Rockets hit 10 of their next 16, including two by Bullard in the third quarter as Houston pulled away to a 88-73 lead.

The Raptors have lost five straight, while the Rockets won for only the third time in eight games.

Bucks 98, Trail Blazers 92 Glenn Robinson scored 26 points, including four in the last 20 seconds, as Milwaukee snapped a six-game losing streak on the road.

Arvydas Sabonis led the Trail Blazers with a season-high 32 points and 13 rebounds.



Alan Houston of the Knicks, with nowhere to go, dumping a pass away from Calbert Cheaney (40) and Terry Davis of the Wizards.

Sutton, on His Fifth Try, Makes the Hall of Fame

Right-Handed Pitcher Finished With 324 Victories

By Thomas Boswell
Washington Post Service

ONE OF baseball's most ludicrous injustices was corrected when Don Sutton was voted into the Hall of Fame after he spent five years waiting on the doorstep of Cooperstown despite his 324 victories.

Since the introduction of the lively ball in 1920, no right-handed pitcher has won more games than Sutton. Only one righty has had as many: Nolan Ryan. And Ryan lost 36 more games than Sutton.

Ironically, one of Sutton's best qualities as a person might have kept him out of the Hall for a couple of extra years. He's dead honest. For years, it cost him prestige and votes.

Asked about his manager with the Los Angeles Dodgers, Tommy Lasorda, Sutton said: "I'm leery of Tommy. I believe in God, not the Big Dodger in the Sky."

As he bounced from the Dodgers to the Astros, the Brewers, the A's and the Angels, and back to the Dodgers, Sutton said, "I'm the most loyal player money can buy."

Why, he came as close as any pitcher ever does to admitting publicly that he cheated on the mound.

Late in his career, when hitters said his best pitches were the screwball, the cut ball and the sandpaper ball, Sutton would stuff dirty notes in his pockets for umpires to find when they frisked him.

In those defiant declining years, when he would do anything to win 300 games and kick down the door of the Hall of Fame, Sutton took rule-breaking — or the appearance of it — to gloriously infantile heights. Between pitches, he would grind on the ball as though trying to tear off its cover. Asked what he'd do if he was disciplined by umpires or the league, he vowed he would sue everybody and take his case to the Supreme Court.

"Sutton has set such a fine example of defiance that someday I expect to see a pitcher walk out to the mound with a utility belt on — you know, file, chisel, screwdriver, glue," said Ray Miller, then the Baltimore Orioles' pitching coach, now their manager. "Sutton will throw a ball to the plate with bolts attached to it."

Sutton didn't care. On the outside, he was smooth and well spoken. On the inside, he knew exactly who he was — a tough, ambitious, wisecracking guy. Asked to explain himself, he would say, "I was born in a tarpaper shack in Clito, Alabama — a sharecropper's son."

For 23 years, Sutton would sandpaper a ball while you glared at him or beat you when he had nothing. Nobody picked more brains, studied more techniques, had more slick variations on his multiple pitches or stood in the late-inning fire with more moxie.

"If you want to show up on time, work your butt off, don't miss starts and grind it out — even if you're not as spectacular as Nolan Ryan or as glamorous as Tom Seaver or as overpowering as Steve Carlton — there's still a spot there" in Cooperstown, he said Monday on television after the vote was announced.

Then he said that Tony Perez should have made the Hall this year, too. That's Sutton. He can't resist candor. The writers who finally elected him? They don't get too many thanks. Why should they?

"In years past, I thought I was going to get in," Sutton said of the overhauls that some would consider snubs.

The first time I met Don Sutton, perhaps 20 years ago, I found out about his tendency toward bluntness. I asked him about Reggie Smith, his Dodger teammate. "Reggie is the leader of this team, not Steve Garvey," Sutton said.

The next day, Sutton walked up to Sutton in the Dodgers' locker room with my story and said, "Did you say this?"

Then they punched each other's lights out. There was more clubhouse friction behind that fight than just Sutton's quotes. But his words certainly pulled the grenade pin.

That night, Sutton and Garvey appeared on national television with black eyes and battered faces. At that time, Garvey might have been the most popular player in baseball.

Howard Cosell asked Sutton, "Did you really say these things about Steve Garvey?"

"I was fresh from the high school beat. I had met Sutton for 10 minutes. My career passed in front of me," Sutton will say. "I misquoted him." I thought, "It's the easy way out for everybody." I felt like a fool, a rube. I was out of my depth. I was dead.

Sutton looked into the camera. "I said it," he said.

After that, I watched Sutton pretty carefully. And one Sutton game can stand for them all.

On the last day of the regular season in 1982, the Orioles played the Milwaukee Brewers for the American League East title. It was only the third winner-take-all game on the last day of the season in 113 years.

The Orioles had beaten the Brewers four times in a row in the previous 48 hours. In short, Milwaukee was on the verge of the worst last-week collapse in history.

The Orioles sent Jim Palmer, on a 13-1 streak, to the mound. The Brewers sent Sutton. The Brewers won, 10-2, then went on to play the Cardinals in the World Series.

"They bought the gold goose and today he gave them the golden egg," the Orioles' John Lowenstein said of Sutton.

That tinge of bitterness often surrounded Sutton's career. He had a bit too much tang and tartness, too much edge for some — but, definitely, not for others.

■ Missed by 9 Votes a Year Ago

Mark Maske of the Washington Post reported: Sutton, 52, missed being elected by nine votes last year and was elected by a fairly comfortable margin this time. He was named on 386 of the 473 ballots, or 82 percent. To be elected, a player needs to be named on 75 percent of the ballots; this year, that was 355 of the 473.

Perez finished second to Sutton in this year's balloting but fell 34 votes short of being elected. Ron Santo finished third, with 204 votes, in his final year on the ballot.

Perez received 321 votes in his seventh year on the ballot. Santo was in his 15th and final year on the ballot. Jim Rice received 203 votes.

Gary Carter received 200, the most among the nine players on the ballot for the first time.

Seven players — Jack Clark, Pedro Guerrero, Willie Randolph, Carney Lansford, Brian Downing, Mike Flanagan and Rick Dempsey — each failed to receive 5 percent of the votes, the minimum for candidates to be included on future ballots.

Pete Rose, who is ineligible for the Hall of Fame because of his lifetime ban from the sport, received 12 write-in votes.

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Don Sutton after being voted to the Hall of Fame.

Dallas Comes From Behind to Push Streak to 10

The Associated Press
Jamie Langenbrunner set up the game-tying goal by Joe Nieuwendyk

NHL Roundup

with 36 seconds to play and the game-tying goal by Joe Nieuwendyk. Dallas ran its unbeaten streak to 10 games with a 4-3 victory in New Jersey.

Nieuwendyk's goal came with Ed Belfour, the Dallas goalie, sitting on the bench in favor of a sixth skater.

Langenbrunner has five assists in the last two games and 17 goals and 20 assists this season, only two points fewer than he had all last season as a rookie.

Canucks 3, Kings 2 Mike Sillinger scored twice and the Canucks overcame two disallowed goals to snap a

seven-game winless streak. All three players acquired in a five-player deal with the Carolina Hurricanes on Friday had a hand in the outcome: Geoff Sanderson had two assists, Enrico Ciccone assisted on Sillinger's first goal and goalie Sean Burke stopped 19 shots.

Blackhawks 1, Flames 1 Alex Zhamnov's power-play goal late in the second period extended his goal-

scoring streak to five games and lifted Chicago into a tie with Calgary.

Hurricanes 4, Senators 1 In Carolina, Sami Kapanen scored his first goal in 14 games and Martin Gelinas added a goal and an assist in his debut for the Hurricanes.

Kirk McLean, acquired with Gelinas last Friday from Vancouver, allowed a meaningless third-period goal, stopping 22 of 23 shots.

For Packers, Some Ties That Bind With the 49ers

By Richard Justice
Washington Post Service

GREEN BAY, Wisconsin — The Green Bay Packers returned to work on a gray afternoon, with near-freezing temperatures and a layer of ice covering streets and sidewalks all across Wisconsin.

And it's a beautiful day to be a

Packer.

Tom Reggie White and Brett Favre to LeRoy Butler and Dorsey Levens, the Packers have the unmistakable swagger of a championship team. Having proven themselves in the biggest games against the best competition, their mind-set is one that even the great Vince Lombardi might envy.

"Our guys right now step onto the field believing we're going to win," said Mike Holmgren, the Packers' coach. "It took a little while to get that message across. Six years. Now, they believe it."

Their next test will come Sunday in the National Football Conference championship game against the San Francisco 49ers. It is the third straight season the teams have met in the playoffs. The Packers won both earlier games — in San Francisco two years

ago and at Lambeau Field last season. Both teams finished this season with 13-3 records, but the 49ers won home-field advantage with a better record against NFC opponents.

What the Packers remember is missing a short field goal against the Philadelphia Eagles and failing to take care of business against the hapless Indianapolis Colts. Had they won either of those games, they would be back at Lambeau Field for the NFC title game.

Instead, the road to a second straight Super Bowl runs through 3Com Park in San Francisco. The Packers got there by defeating the Tampa Bay Buccaneers, 21-7, on Sunday.

But they were far from their best and Holmgren chided his players Monday for three turnovers, seven penalties and six dropped passes. He warned them that if they don't play better against the 49ers, they might be in trouble.

"Our decision-making at times was suspect," Holmgren said. "But we won the football game against a good team. I think it's good for a team to see it can overcome things and still win. What allows me to do this week is talk about it. It allows me to coach

off that game pretty well."

This week is almost a reunion, with Holmgren returning to his hometown and playing against the team that gave him his start in the National Football League. Holmgren deserves credit for the development of the 49ers' quarterback Steve Young. There are similar emotions for the 49ers, whose coach, Steve Mariucci, was Green Bay's quarterback coach when Favre arrived, and the two remain close friends.

A year ago, Holmgren's voice cracked as he discussed what the 49ers have meant to him. Those emotions may have dulled a bit, but they clearly are still strong.

"There's something special about working where you grew up," he said. "I used to go up through the stands to the press box before the games, and honest to goodness, a lot of the policemen, a lot of the people I'd see were people I either taught or went to school with. You get a special feeling. You grew up rooting for the 49ers, and someday you'd like to be their coach."

"I love San Francisco," Holmgren said. "I love it for all the reasons you would love the place you grew up. But this is my home now."

The teams mirror each other in many ways. Favre and Young are among the best ever at their position, and both can win games as much by running the ball as by throwing it. Both teams have first-rate receivers and defensive lines. And both teams are accustomed to success. Long before the Packers became the measuring stick for other NFL teams, there were the 49ers, who won five Super Bowls.

The Packers remember Mariucci's stint in Green Bay fondly. Holmgren said one of Mariucci's responsibilities was serving as a "buffer between me and Brett."

At the time, Holmgren was the strong-willed young head coach trying to get the strong-willed young quarterback to believe in — and play within — his system.

"Now, Brett has matured and so have I," Holmgren said, smiling.

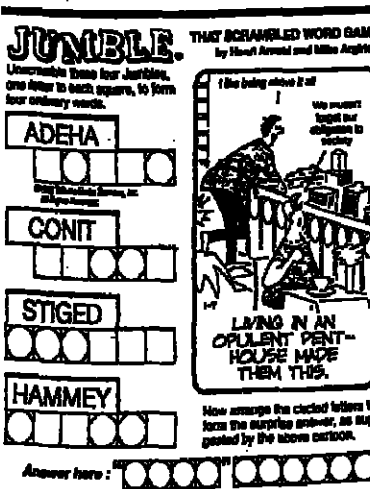
Holmgren telephoned Mariucci about a month ago to congratulate him on San Francisco's success and tell him how proud he was of him. This week, the feeling is more intense.

"There are no phone calls this week," Holmgren said. "Both teams want this game desperately and it'll be one of those great games."

DENNIS THE MENACE



"FOOTBALLS THE BEST BECAUSE NEATNESS DOESN'T COUNT."



Answers here: 1. ADEHA 2. CONIT 3. STIGED 4. HAMMEY

Wordplay: DENNIS THE MENACE

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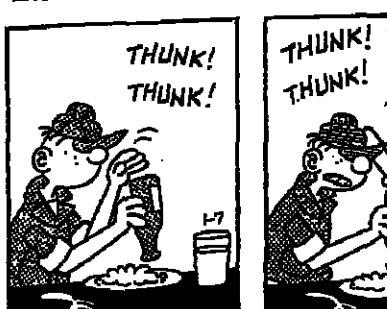
PEANUTS



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Wordplay: DENNIS THE MENACE

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CALVIN AND HOBBES



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POSTCARD

Kansas City Jazz

By Bruce Weber

New York Times Service

KANSAS CITY, Missouri — To Mayor Emanuel Cleaver, the new Kansas City Jazz Museum, which opened in a historically important but long abandoned neighborhood in September, is a symbol of optimism and hope.

With a vivid, contemporary design and a collection centered on four jazz giants — Louis Armstrong, Duke Ellington, Ella Fitzgerald and Charlie Parker — and a jazz club included under its roof, it is the first major museum in the United States devoted to jazz, intended to serve both as a monument to the music that flourished here in the 1920s, '30s and '40s and as a spur to redevelopment in the neighborhood that nurtured it.

"What this property has successfully done," Cleaver said in an interview, "is transcend the obstacles of race, geography and ethnicity. It is the kind of thing we need to replicate."

But to Eddie Baker, a local bandleader and a leading advocate for the recognition of jazz masters who calls the new museum an embarrassment, it represents nothing but a disappointment, not even a shadow of what it could have been. At a mere 10,000 square feet (930 square meters), Baker points out, it is too small. Besides, he says, its exhibits are too rudimentary, it excludes too many musicians, it is not interactive enough and it doesn't even have its own building, really. It shares the place with the Negro Baseball Hall of Fame.

"It's being run by politicians who don't even own a record player," Baker said. "It's evident jazz wasn't im-

portant to this mayor or anybody else."

Baker, president of the Charlie Parker Memorial Foundation, which provides music and dance classes for underprivileged children, is not alone in his dissatisfaction. At a time when cities all over the country are building arts centers to rejuvenate blighted neighborhoods, other people in jazz have also questioned whether museums should be built primarily to encourage economic activity.

Shouldn't the emphasis be placed on honoring and preserving artistic achievement? No one, not even Baker, thinks the new museum here is a bad thing. But it has aggravated the persistent wound felt by many jazz musicians, who say that there is an artistic contribution that has been too easily shut aside and never adequately acknowledged.

Indeed, jazz, now about 100 years old, is among the signal contributions of 20th-century America to world culture. Yet there are few substantial music collections beyond those at the Institute of Jazz Studies at Rutgers University in Newark, New Jersey, and the Marr Sound Archives at the University of Missouri at Kansas City, and until now there has been no real monument to the music and the musicians.

"We need all the help we can get, to say the least," said Max Roach, the legendary drummer, who was a consultant for the new museum and argued that this should be the first of many homes for jazz.

"It's not supposed to have one home," he said. "Art Blakey used to say, 'Jazz is as American as apple pie.' We should have shrines all over the country."

By Stephen Kinzer

New York Times Service

NUKUS, Uzbekistan — The bleak desert that surrounds this town stretches for hundreds of kilometers in every direction, with only an occasional fly-infested truck stop to break the monotony of sand dunes and forlorn camels.

Nukus itself is unimpressive, a Soviet-style town with negligible charm or culture. And even for those who bother to penetrate this far into the desolate heart of Central Asia, it is easy to overlook a shabby wooden building that bears a small sign proclaiming it to be an art museum.

The long, white two-story structure and an annex, their paint peeling, are set on adjacent corners in an anonymous neighborhood. At the entrance, an elderly gentleman in a faded security guard's uniform sits in the sun and looks up at visitors but says nothing.

These days, however, visitors to Uzbekistan are coming to this museum more frequently, even making special trips here from Tashkent, the capital, or from abroad. Six years after Uzbekistan emerged as an independent nation, an astonishing tale has begun to spread from Nukus through the art world.

In this quintessentially remote spot sits an enormous collection of art from the Russian avant-garde, overflowing with works of which Western art lovers are almost completely ignorant.

But as more Westerners see the Nukus collection, or parts of it, like the large selection that will be shown in France beginning this week, their understanding of the burst of creativity in Russia at the beginning of the 20th century will surely be enriched.

The museum is hardly an ideal showcase, with lighting poor when it works at all and not a bench in sight. Almost every inch of wall space is covered with paintings, most of them crudely framed, ranging from sweeping landscapes to somber portraits, from abstract studies to haunting nudes.

"Apocalypse" by Alexei Rybnikov, an angular picture of a man on horseback carrying a long trumpet, combines bold mastery of color and composition with great delicacy of expression. Another jewel of the collection, "The Bull," by Yevgeni Lyenko, a picture of a bull painted almost entirely in blue, is both whimsical and powerful, its soft tones



Marinika Babanazarova, director of the Igor Savitsky art museum in Nukus, Uzbekistan.

contrasting with a bright pattern of rectangles that decorates one of the bull's exaggerated horns.

Among the more political works is "Capital," by Mikhail Kurzin, which portrays a grotesque bourgeois couple against a background of tiny, darkly painted workers and is reminiscent of works by Otto Dix or George Grosz. There are also good selections of work by Robert Rafailovich Falk and Liubov Popova, both of whom will be represented in the French show.

Two artists in the collection, Solomon Nikritin and Ivan Kudrashov, whose work has been exhibited at museums like the Guggenheim in New York, are known to most art lovers through only a few dozen pictures.

The Nukus museum has 560 of their works, a quantity that may lead to a full reassessment of their careers.

"It's a very important collection, a treasure," said Charlotte Douglas, chairman of the Russian studies department and professor of Russian art at New York University, who combed through Russian catalogues to learn what she could about the Nukus museum. "There are wonderful artists people have never heard of, including many women, and great works from artists we thought we understood but now realize we don't. It shows that you don't really know half of what's out there."

Some specialists in Russian art are less enthusiastic. Zelfira Tregulova, a Moscow curator who has seen works from the collection at exhibitions in Moscow, said she suspected there were better collections in provincial Russian

cities. John Bowl, a professor of Russian art at the University of Southern California, pointed out that the best-known figures in 20th-century Russian art were represented poorly or not at all in Nukus.

"As a story it's very uneven," said Bowl, who, like many of his colleagues, knows the collection from selective catalogues. "Many of the works are secondary because they come from later periods and don't really reflect aspects of the avant-garde. If you're looking for major new works by Malevich, Kandinsky or Chagall, they're not there. It will certainly expand our knowledge by giving us new names and new images, but it may not be very startling or exciting."

The Western public will have a chance to judge for itself starting on Thursday, when an exhibition of more than 300 pieces from Nukus opens at the Abbaye aux Dames, a medieval convent in Caen, France. The show runs through March 18. There are also hopes, though no firm plans, for an exhibition in the United States.

The art produced in Russia during the first quarter of this century had a profound influence on everything we now know as modern. A brilliant constellation of gifted artists emerged at a time when many Russians believed they were on the brink of a new epoch, one in which the human spirit would be truly liberated for the first time. Seeking to convey their excitement, they produced a body of work whose originality was so extraordinary that the Soviet system proved unable to tolerate it.

In one of the great tragedies of art history, the Russian avant-garde was crushed in the early 1930s. Its exponents were silenced, imprisoned, exiled, driven mad or murdered. Today in Nukus, however, they not only survive but triumph.

The collection was assembled by Igor Savitsky, who was born in 1915 to an aristocratic family in Kiev and who died in 1984. Most Soviet museums were forbidden to display avant-garde art because the government considered it not only hideous but degenerate. The few private collectors of the period bought no more than a handful of works. Only Savitsky, whose base in the Uzbek region of Karakalpakstan was almost unimaginably far from the centers of Soviet power, was allowed to collect, and he did so with boundless passion.

SPIN-OFFS

Tiresome Sequels: When Books Sell, Sell Them Again

By David Streitfeld

Washington Post Service

WASHINGTON — One 13-year-old Californian learned a great deal by reading "The Book of Virtues: A Treasury of Great Moral Stories," although it probably wasn't the lesson the editor, William J. Bennett, the former education secretary, had in mind.

After plowing through "Virtues" and its equally massive follow-up, "The Moral Compass: Stories for a Life's Journey," the teenager posted a review on Amazon.com, the cyber-bookstore Web site, noting that Bennett "repeated morals over and over again in both of his books, but mainly in the second one. I know that there were different examples of the morals, but it still seemed kind of redundant."

All by himself, this young man discovered the moral for publishing in the '90s: Whenever you have a hit, milk it for all it's worth.

Thus, the unexpectedly huge success of Bennett's first anthology spawned not only "The Moral Compass" but "The Book of Virtues for Young People," "The Children's Book of Virtues," "The Children's Book of Heroes," the three-volume adaptation "Adventures From the Book of Virtues" and, most recently, "Our Sacred Honor: Words of Advice From the Founders in Stories, Letters, Poems and Speeches."

It's called flooding the market, and just about everyone is doing it. It's the rare commercial novelist today who doesn't publish once a year, and the pace seems to be quickening. Anne Rice, for example, used to take a couple of years between books, but by this point she can dash them off so quickly that the October appearance of her latest came simultaneously with the news that the next will be released in March. Patricia Cornwell had two novels last year. Tom Clancy has essentially franchised himself, hiring Steve Pieczenik to write his "Op-Center" novels. As for Stephen King, it was considered newsworthy

that he had merely one new novel last year. In 1996 he had three.

Can someone please disable these folks' computers? When historians assign blame for the collapse of reading in America, successful writers' mad desire to capitalize will make up a significant part of it.

In earlier eras, there was more variety to the best-seller lists. None of the authors of the top 10 fiction best-sellers of 1965 (Michener, Bellows, Le Carré, etc.) reappeared on the list in 1966 (Susanna, Robbins, Malamud, etc.), nor did any of those 20 appear on the list for 1967 (Kazdan, Styron, Potok, etc.). The lists in the '90s, however, are dominated by the same names over and over again: King, Clancy, Grisham, Danielle Steel.

In the past, the writers took themselves seriously enough to resist the temptation to cash in, even if the seduction must have been sweet. The greatest hit of the early '70s was "Jonathan Livingston Seagull," a postcard-size book of text and photos that perfectly caught the mood of the Me Generation: Break away from the pack, follow your own destiny, realize there's more to life than the workaday hustle.

It sold 2.5 million copies in hardcover, which means the author, Richard Bach, got asked a lot about a sequel. "I answered them that I didn't have to write anything next, not word, and that all my books together."

"Seagull" was his fourth, "said everything I had asked them to say," he wrote. "Having starved for a while, the car repossessed and that sort of thing, it was fun not to have to work to midnight."

Sounds perfectly reasonable, and in keeping with the "Seagull" philosophy. A collection of Bach articles appeared four years after "Seagull," but his next work of fiction, "Illusions: The Adventures of a Reluctant Messiah," didn't come out until 1977. His modern-day counterpart is Richard Paul Evans, who self-published in 1993 a lavishly sentimental tale called "The Christmas Box" that caught the mood of its moment: Par-



Anne Rice: Two in six months.

ents are neglecting their kids when they work too hard. The rights were bought by Simon and Schuster for millions. Over the last couple of Christmases, both it and Evans have made a bundle.

Now, you might think Evans would want nothing more than to kick back and spend some serious time with his family. Instead, he's responded by cranking out "The Letter," "Timepiece," "The First Gift of Christmas" and "Christmas Every Day," all in the last two years.

Sequels and spin-offs happen because a publisher can tell the chains, "It's the follow-up to the No. 1 hit." The buyer for the chain checks the computer, sees that many copies of the original were sold, and orders the same number again. That makes the publisher, agent and author very happy, because getting the books into the stores is nine-tenths of selling them.

All the parties involved in this process say they're just giving the reader what he or she wants. And, conditioned by movie sequels and tele-

vision sitcoms, readers are often thrilled to get the same thing again.

For a while, then, like the huge con that it is, the scheme collapses. One of the two books Patricia Cornwell came out with last year was "Hornet's Nest," a police procedural. It sold 100,000, but if the commentary on the Amazon.com site is any indication, it also produced a lot of disgruntlement. Comments are listed from 110 readers. On a scale of 1 to 10, they gave "Hornet's Nest" an average of 4. Thirty-eight gave it the lowest possible score, 1.

"This story is lame . . . I felt like Cornwell was under contract with Putnam to crank something out. This stinker is going to hurt her. It's junk," wrote one incensed reader.

Another wrote, somewhat awkwardly but in a heartfelt manner: "Shame on the author and the publisher for using this cheap con practice on a loyal reading public for profit purposes." And these aren't even the folks who got really vicious.

Several readers were moved to speculate about the origins of the book. They came up with a bunch of possibilities, including that it was ghostwritten, that Cornwell wrote it in high school, that it's some sort of Joycean experimental novel gone haywire and that she's possessed by aliens.

The mundane truth might simply be that she had no time to write. A good novel is hard work, and takes enormous effort. Sometimes it's necessary to stop, throw pages out, regroup, start again. But if the publisher has advanced the writer a ton of money that it wants to start earning back as soon as possible, there's little chance of that.

There are other villains at work here. Computers have undoubtedly made it easier and faster to write; there's no evidence it makes the writing better.

Occasionally, writers learn a lesson from a disaster. The virulence with which "Hornet's Nest" was received may have affected Cornwell; while it was announced as the beginning of a new series, there has been no announced follow-up.

PEOPLE

THE veteran singer-songwriter Bob Dylan, who made a strong comeback last year with his "Time Out of Mind" album, and his son, the Wallflowers' lead singer, Jakob Dylan, were each nominated for three Grammy Awards on Tuesday. For the second straight year, Kenneth (Babyface) Edmonds earned the most nominations, eight. The rap impresario Puff Daddy and the singer Paula Cole, whose "Where Have All the Cowboys Gone" was nominated for song and record of the year, had seven nominations apiece. Bob Dylan was nominated for best album, best contemporary folk album and best rock vocal performance for "Cold Irons Bound." But it was Jakob who was feted for his songwriting: "The Difference" and "One Headlight," two songs that Jakob wrote and sang for the Wallflowers, were nominated for best rock song. "One Headlight" was also nominated for best rock performance by a duo or group.

Frank Sinatra will be honored with a special American Music Award. The Award of Merit, announced Monday, recognizes "outstanding contributions to the musical entertainment of the American public." Among past recipients are Elvis Presley, Ella Fitzgerald and Michael Jackson.

The movie "Titanic" will hit television screens in the year 2000 under a reported \$30 million deal negotiated by NBC. NBC is buying the right to air the 20th Century Fox-Paramount film, directed by James Cameron, five times within five years, Daily Variety reported. The deal falls short of the \$80 million paid by Fox Broadcasting to air "The Lost World" and NBC's \$50 million payment for "Men in Black."

Luciano Pavarotti, Plácido Domingo and Jose Carreras, the "Three Tenors," celebrated the 60th birthday of King Juan Carlos with a concert in Madrid. The king was accompanied to the concert by his wife, Queen Sofia, and their three children.

"Stalking" Clinton? A Flap Over Invasion of Privacy

By Howard Kurtz

Washington Post Service

WASHINGTON — To some editors, it was an irresistibly candid shot of the first couple dancing on a Virgin Islands beach. To President Bill Clinton it was an invasion of privacy. And to a White House aide, it was nothing less than "stalking."

The Agency France-Press photo of the president and Hillary Rodham Clinton in bathing suits on the beach ran in color on the front page of the Los Angeles Times. The Washington Post carried a black-and-white photo on an inside page.

Asked whether he felt his privacy had been invaded, Clinton said, "Yes." But he said it was up to the press to decide where to "draw the line" on such matters, adding: "That's why we have a First Amendment."

"Actually, I liked it quite a

lot," Clinton said of the picture. "But I didn't think I was being photographed."

The dispute has resonance

because of the paparazzi who chased Diana, Princess of Wales, before her fatal car accident in Paris.



The Clintons dancing on a Virgin Islands beach.



Not for all the tea in 10811.

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